2014

ANNUAL REPORT

VOLUME I

//KHARA HAIS MUNICPALITY

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Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

The National development plan states. I quote: "*In many respects, South Africa has an active and vocal citizenry, but an unintended outcome of government actions has been to reduce the incentive for citizens to be direct participants in their own development*"…unquote.

To fulfill the abovementioned mandate we as //Khara Hais Municipality has embarked on the following:

COUNCIL MEETS THE PEOPLE
Public participation serves as one of the cornerstones of local government. The //Khara Hais municipal council embarked on a Council Meets the People programme.

During this programme the Council visits all the 14 wards in the Municipal jurisdiction and interact with the community in the following manners:

- Sector meetings e.g. Meetings with the youth bodies, businesses and church organisations.
- Door to door assessment of the conditions of the residents
- Community meeting
- Feedback on the Council meets the People programme via the community radio station. The residents are invited to call in and express their views.
- A report is drafted and tabled at a council meeting for decision making on the promises that were made during the council meets the people process.

PUBLIC PARTICIPATION
- The council also embarked on public participation processes during the IDP process.
- The council also embarked on a public participation process during the budget process.

The national development plan also states that active citizenry and social activism is necessary for democracy and development to flourish. The state cannot merely act on behalf of the people – it has to act with the people, working together with other institutions to provide opportunities for the advancement of all communities.

In trying to adhere to the projections of the National Development plan we as //Khara Hais Municipality have worked on the following projects during the 2013/2014 financial year. The following are some of the salient projects to be undertaken over the medium-term. They include:

- Connection road over the railway line between Rosedale and Paballelo;
- Extension of Louisvale Road Sewerage Works;
- Development of new parks;
- Development of new sportgrounds;
- Electrification projects for new developments;
- Abraham "*Holbors*" September Water Treatment Works;

WARD BASED PLANNING

The ward committees play a pivotal role in public participation. Each of the 14 wards of the Municipality has a ward committee. They assist in organising meetings with the community. They also act as a link between the Municipality and the residents. The Municipality also conducted training for the ward committees. The role of the Municipality and the ward committees was clearly defined during this training process.

SERVICE DELIVERY

The Municipality has also started with a service delivery project which is called Operation Lungisa Konke – "*fix it all*". The Municipality spent a week in a community and attends to all the service delivery problems of that ward during Operation Lungisa Konke. I want to thank the administration for this initiative.

I wish to take this opportunity to thank the residents for their continued support for our programs and initiatives. I also want to thank the Councillors and the staff for spending long hours in enabling us to adhere to the local government requirements as contained in the Municipal Finance Management Act, the Municipal Systems Act, the Public Finance Management Act and all the other legislation which governs local government.

Signed by: _____
Cllr LA Koloi
Mayor

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The //Khara Hais Municipality annual report for the 2013/2014 financial year was compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as as other legislation which governs local government.

The 2013/14 financial year was particularly a challenging year for our administration. We ensured that we appoint competent staff in key positions.

ORGANISATIONAL DEVELOPMENT

During the 2013/2014 financial year a total of 815 permanent employees and a Municipal Manager with 4 directors were employed. The municipality had a turn-over rate of 7.31%. R1.4m was spent on skills development and bursaries for employees. Not all vacancies could be filled due to insufficient funds. The average number of day sick leave per employee were 7.99. The estimated cost of sick leave due to injuries amounts to R3,2 million

The Human Resource Services delivered services to 820 full time employees with a staff complement of 14 employees. Seven employees were awarded study bursaries to complete formal qualifications. A total of 306 employees were sent on short courses. The Local Labour Forum had 4 meetings during the 2013/2014 financial year.

All funded vacancies were filled within the financial year. Two new posts of Senior Managers were approved on 31 January 2014 which will be filled in the new financial year (2014/ 2015).

The municipality complied with the Skill Development Act by submitting its Work Place Skills Plan and Training Report on time.

The workforce expenditure increased by 10.63%. The annual salary increase was 6.84%. To address the demand for basic services at the growing numbers of houses in informal settlements, more workers had to be appointed The workforce expenditure amounted to 34.5%of the total Operational Budget.

All the Directors, Councillors and the other officials declared their financial interests as prescribed in the Local Government: Municipal Performance Regulations for Municipal Regulations and Managers Directly Accountable to Municipal Managers, RN 805 of 2006. More information is provided in Chapter 4 of the Annual Report.

Information on Electrical Services, Development & Planning, Community Services and Civil Engineering can be found in Chapter 3 of the Annual Report.

Municipal Finance

The Municipality's financial position remained unhealthy for the 2013/2014 financial year.

The revenue collection rate of 99.99% for the year under review, compared to 102.6% in the previous financial year seems to be declining, but this is due to irrecoverable debt of R14 088 906 written off during 2011/2012. Irrecoverable debt to the value of R768 082.98 were written off compared to R14 088 906 in 2011/2012.

Employee costs as a percentage of total operational revenue was 44.52% in 2012/2013 and decreased to 41.2% in 2013/2014. It is still excessive.

A notable achievement was that the Municipality received a qualified audit opinion for the 2012/2013 financial year (2011/2012: disclaimer audit opinion).

Over the next five years we will keep the rates and tariffs at affordable levels for ratepayers. This will be a daunting task and it may necessitate a review of service delivery levels and adjustments if necessary. The financial position of the Municipality is covered extensively in the financial performance section which is in Chapter 5.

I want to take this opportunity to thank the entire Council and staff for contributing to the Annual Report in anticipation for a better 2014/ 2015 financial year.

D.E NGXANGA
MUNICIPAL MANAGER

VISION

To provide an affordable quality service to inhabitants and visitors in //Khara Hais municipal jurisdiction and to execute the policies and programs of the Council.

MISSION

As an authority that delivers municipal services to //Khara Hais municipal jurisdiction, we attempt, by means of a motivated staff, to develop //Khara Hais municipal jurisdiction increasingly as a pleasant, safe and affordable living and workplace for its residents - and a hospitable and relaxed visiting place for its visitors.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Municipal Systems Act, Act 32 of 2000 states that:

- A Municipality is a state of organ within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998
- It consist of – the political structures and administration of the municipality and the community of the municipality

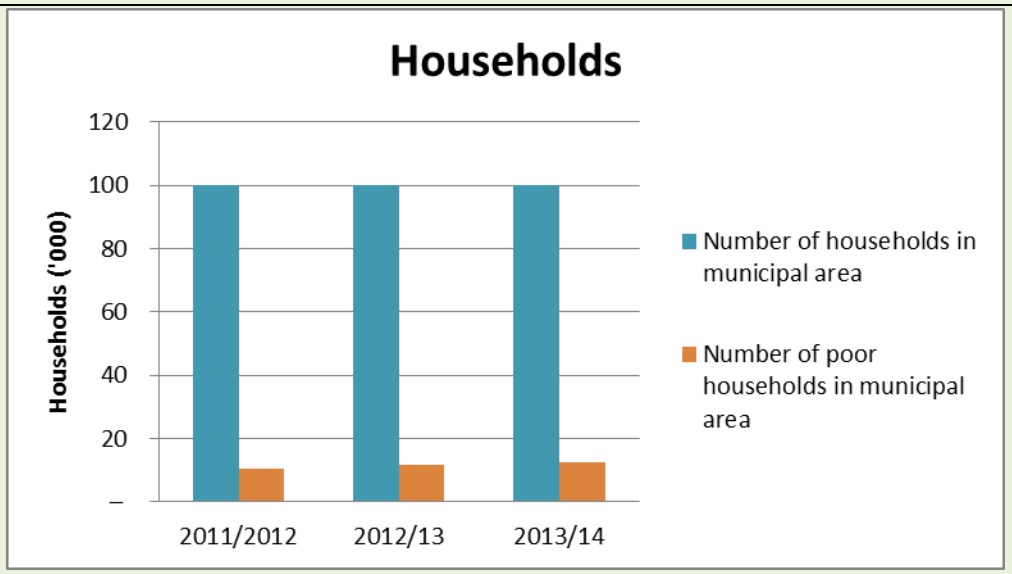
As stated by the act above. The Municipality represent the interests of the community and must take decisions that are reasonable and in the interest of the community. Municipalities cannot take decisions if the following issues are not taken into consideration. The IDP and the budgeting processes are affected by the following issues. Stats SA served as the source of information for the following information.

Key Statistics 2011 (Source: Stats SA 2011)

Total Population	102 692
Young (0-14)	29.8%
Working (15-64)	64.6%
Elderly (65+)	5.5%
Dependency Ratio	54.7%
Sex Ratio	97
Growth Rate	1.82% (2001-2011)
Population Density	4 persons/km²
Unemployment Rate	22.1%
Youth Unemployment Rate	29%
No Schooling Aged 20+	7.1%
Higher Education 20+	7.8%
Matric Aged 20+	26%
Number of Households	26 248
Number of Agricultural Households	2 243
Average Household Size	3.9
Female Household Size	40.5%
Formal Dwellings	75.2%
Housing owned/Paying off	54.1%
Flush Toilet connected to Sewerage	68.3%
Weekly Refuse Removal	87.2%
Piper Water inside Dwelling	56%
Electricity for Lighting	91.1%

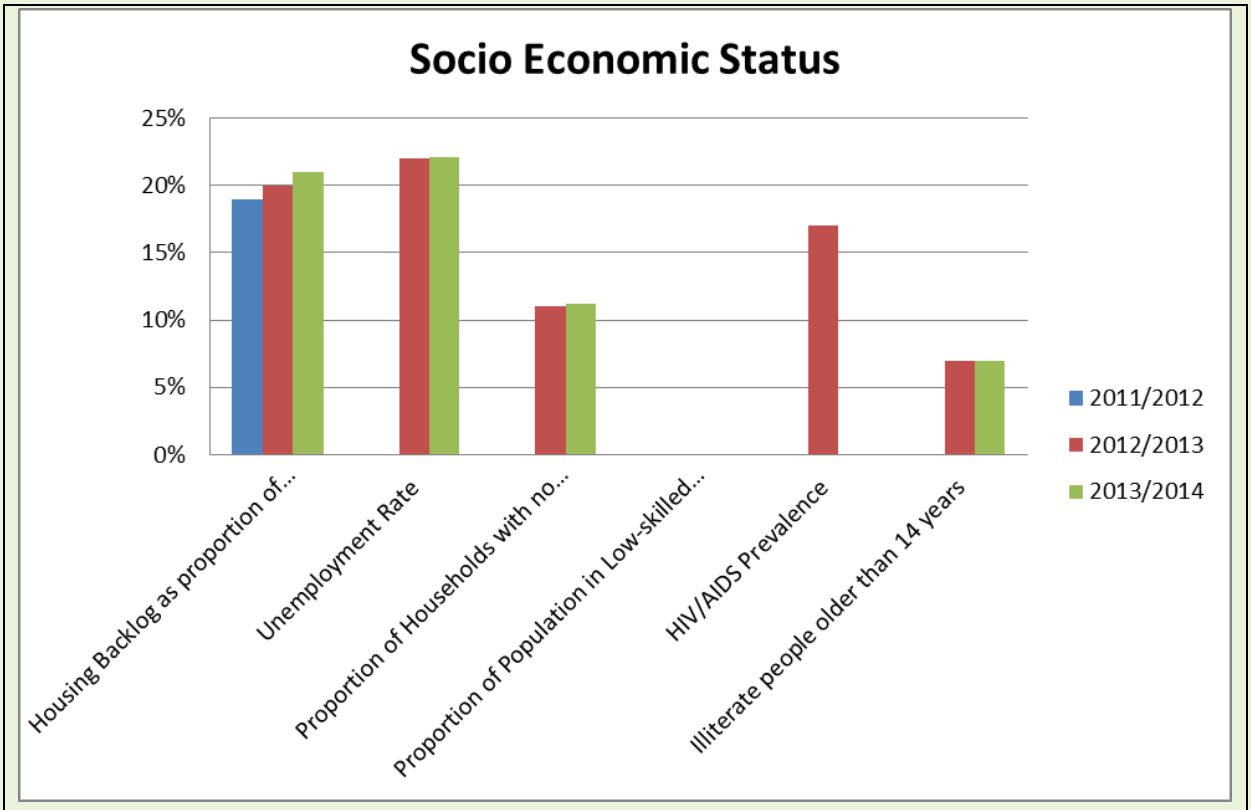
T 1.2.1

ITEM	NUMBER BY 2011	
POPULATION		102 692
POPULATION GROWTH		1.82% per year
POPULATION GROUP	Black Africans	23 179
	Coloured	66 836
	Indian or Asian	712
	White	11 965
POPULATION BY AGE	15 yrs.	29 937
	15 - 34 yrs.	34 890
	35 - 65yrs	32 512
	65+ yrs.	5 353
POPULATION BY GENDER	Male	50 607
	Female	52 085
HOUSEHOLDS		26 248
AVERAGE HOUSEHOLD SIZE		3.9 persons
REFUSE DISPOSAL	Removed by local authority/Private	21500
	Removed by local authority/private	0
	Communal refuse dump	0
	Own refuse dump	0
	No rubbish disposal	0
TYPE OF DWELLING	House or brick	16066
	Traditional dwelling/hut	136
	Flat or apartment	447
	House/Flat/room in	578
	Informal dwelling	731
	Informal dwelling	4617
	Room/Flat let on a property	455
	Caravan/Tent	38
TOILET FACILITIES	None	118
	Flush Toilets connected	12895
	Flush toilet with septic	434
	Chemical Toilet	0
	Pit toilet with ventilation Pit	1275
	Toilet without ventilation	194
	Bucket Toilet	3558



T1.2.3

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2011/2012	19%					
2012/2013	20%	22%	11%	N/A	17%	7%
2013/2014%	21%	22.1%	11.2%	N/A	N/A	7%
						T1.2.4



T1.2.5

Overview of Neighbourhoods within //Khara Hais Municipal Area		
Settlement Type	Households	Population
Towns		
Upington (including R5osedale and Paballelo)		
Sub-Total	18 331	71 710
Rural settlements		
Louisvale Road	1775	6803
SAD Gifkloof	241	944
Uap	293	1148
Kalksloot	587	2311
Raaswater	582	2275
Louisvale	291	1141
Rural area bridge to Raaswater	447	1752
Leseding	283	993
Ntsikelelo	239	937
Leerkrantz	352	1382
Karos	379	1486

Lambrechtsdrift	254	996
Gifkloof rural	351	1271
Other (mainly farming areas)	1843	7543
Sub-Total	7917	30982
Informal settlements		
Total	26 248	102 692
		T1.2.6

Natural Resources	
Major Natural Resource	**Relevance to Community**
Agricultural land	Land for cultivation and huge source of income and work opportunities
Orange River	Source of water for urban and agricultural use.
Natural Sunlight/Clear skies	Important for Solar Power and spin-offs such as industrial development/ work opportunities etc.
Natural environment and Nat Parks	Tourism industry and work opportunities for local communities
	T1.2.7

COMMENT ON BACKGROUND DATA:

Demographic information constitutes the bedrock of all socio-economic planning. The collection, analysis and dissemination of accurate demographic information enable policy makers to plan for the future development of a country. Issues such as the future size of the labour market, unemployment, job creation, poverty and environmental degradation are intrinsically linked to demographic processes. It is therefore important to base future development policies and programmes on the most accurate demographic information available.

2011 Census Data

Population:

The //Khara Hais Local Municipality has a total population of 93 494, making it the most populous municipality in Siyanda District Municipality. The coloured population is in the majority, followed by Africans and then the white population. The most commonly spoken language is Afrikaans, spoken by 85% of the residents.

The composition of the population in the municipal area is as follows: (Source: Stats SA 2011)

	Percentage
Black African	23,1%
Coloured	65,2%
Indian/Asian	0,7%
White	9,9%
Other	1,2%

The age and sex structure of the residents within the municipal area is as follows: (Source Stats SA 2011)

Age	Males	Females
0-4	5,1%	4,9%
5-9	4,9%	4,9%
10-14	5,1%	4,9%
15-19	5%	4,9%
20-24	4,5%	4,3%
25-29	4,4%	4,1%
30-34	3,8%	3,7%
35-39	3,4%	3,4%
40-44	3,2%	3,4%
45-49	2,6%	2,6%
50-54	2,2%	2,5%
55-59	1,6%	2%
60-64	1,2%	1,6%
65-69	0,8%	1,1%
70-74	0,6%	0,9%
75-79	0,4%	0,6%
80-84	0,2%	0,3%
85+	0,2%	0,3%

Almost 29,8% of the population in //Khara Hais is under the age of 14 years. This holds significant implications for future development planning as this section of the population will become economically active within the next 5 to 10 years . A consistent economic growth rate and the creation of sufficient job opportunities are therefore of importance.

Approximately 5,5% of the population are older than 65 years. It is envisaged that this percentage will increase to approximately 10% over the next 10-15 years. Most members of this group of people are not economically active.

Living Conditions:

//Khara Hais Municipality was awarded the recognition of being one of the top three performing municipalities, through its application of the Abantu Bayalawula principle: to go the extra mile in working with the communities. Upington and its people are the source of the region's success. Owing to Upington's strategic location, a pollution-free climate and //Khara Hais Municipality's comprehensive plan including incentives, Upington offers business opportunities for business, entrepreneurs and tourists.

The settlement type for the municipal area is as follows

Area	**Percentage**
Urban	94, 7%
Tribal/Traditional	0%
Farm	5, 3%

Economy:

The wine industry is the highest contributor to the municipality's economy; and it is also more dominant in Upington. Most of Upington's wines are produced by Orange River Wine Cellars (OWC). The company has six depots in the area (all of them on the banks of the Orange River) at Upington, Kanoneiland, Grootdrink, Kakamas, Keimoes and Groblershoop. The wines from OWC are exported, mainly to Europe and the USA. A number of privately owned cellars also exist in the area. The //Khara Hais region accounts for more or less 40% of South Africa's grape exports. Tourism is contributing to the economy of the municipality through places like Die Eiland holiday resort.

The economy of Upington relies heavily on agriculture, tourism and the services industry. Many large companies in the wine industry, table grapes, dried fruit and livestock farming have their head offices in Upington. All major South African banks are represented in Upington and numerous shops and retail outlets cater for most needs.

The income status for the municipal area is as follows: (Source: Stats SA 2011

Income	Percentage
None Income	10.5%
R1 – R4 800	2.6%
R4 801 – R9 600	4.3%
R9 601 – R19 600	16.3%
R19 601 – R38 200	21.2%
R38 201 – R76 400	16.5%
R76401 – R153 800	12.5%
R153 801 – R307 600	9.8%
R307 601 – R614 000	4.5%
R614 001 – R1 228 800	1.1%
R1 228 801 – R2 457 600	0.4%
R2 457 601+	0.3%

The unemployment rate within the //Khara Hais municipal area is 22, 1% but the youth unemployment rate is as high as 29%.

The housing backlog in the municipality is partially addressed by the availability or allocation of formal serviced sites to needy beneficiaries. It is also worth mentioning that the eradication of the backlog is solely the financial mandate of the Department of Human Settlements, nationally, and the department of COGHSTA provincially. In most cases the municipality service these sites themselves, which places a heavy financial burden on the municipality. The availability of funds for the construction of BNG houses will lead to a decline in the backlog.

T1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

Electrical Services

The municipality provides all electrical services to the Town of Upington and surrounding rural areas on both sides of the Orange River, which include the residential and the surrounding areas of towns like Kalksloot, Klippunt, Sesbrugge, Koppies Eiland, Louisvale, Leseding and Louisvaleweg. In the rural areas further from town, like Lambrechtsdrift, Karos, Leerkrans, Ntsikeleo and Raaswater the distribution of electricity is provided by Eskom and other electrical services, like area and street lighting, are provided by the municipality.

The municipality continuously upgrades the electrical services through annual maintenance and capital programmes. New projects for the improvement of access to electricity, improvement of the networks and expansion of the services to new customers were completed or under construction at the end of the financial year.

Access to funding for projects and the rapid expansion of the towns are the main challenges to provision of electrical services. Annual applications by the municipality and Eskom for funding from the Department of Energy through the Integrated National Electrification Programme (INEP) makes a contribution to the funding of the project, but the municipality must still provide counter funding for the programme.

The municipality provides 50 kiloWatt-hour of energy per month free to Indigents in both the municipal and Eskom areas of supply.

Development & Planning

The optimal utilization of service delivery is embodied in both maintenance and use of existing infrastructure and equipment, as well as the construction of new infrastructure in areas where backlogs exists. As far as maintenance is concerned, the municipality has the necessary programs in place for existing infrastructure such as electricity, water, sewerage and streets. Funding is achieved by means of sufficient provision in the operational budget (Opex). The construction of new infrastructure starts with the Integrated Development Plan (IDP), undergoes a process of prioritization, and, eventually, the most urgent projects are capitalized in the capital budget (Capex).

The table below gives a summary of the main projects undertaken by the municipality during the 2013 / 2014 financial year.

WATER & SANITATION	
PROJECT	FUNDING
Enlargement of the Main Sewer Line in Rosedale	Completed. MIG & loan funding
Extension of the Louisvale Road Sewerage Works (Oxidation Ponds)	Environmental Impact Assesment approved. Tender for contractor approved during June 2014. MIG & loan funding.
Abraham "*Holbors*" September Water Treatment Works, Algae Treatment Facility	Construction started during May 2014. MIG & loan funding

Civil Engineering

Service delivery is achieved through the operation and maintenance of existing infrastructure and through the construction of new infrastructure in areas where backlogs exist and where new development should take place. The municipality has maintenance programs for existing infrastructure, which are planned and executed through the operational budget. The construction of new infrastructure forms part of the IDP and capital budget planning processes of the municipality.

The table below gives a summary of the main projects undertaken by the municipality during the 2013/2014 financial year. More detail of some of these projects will be submitted in Chapter 3 of this report. The municipality delivers free basic services, like water, electricity, sanitation and refuse-removal to all households registered as indigents.

The following projects were undertaken and/or completed during the 2013 / 2014 financial year:

Water & Sanitation

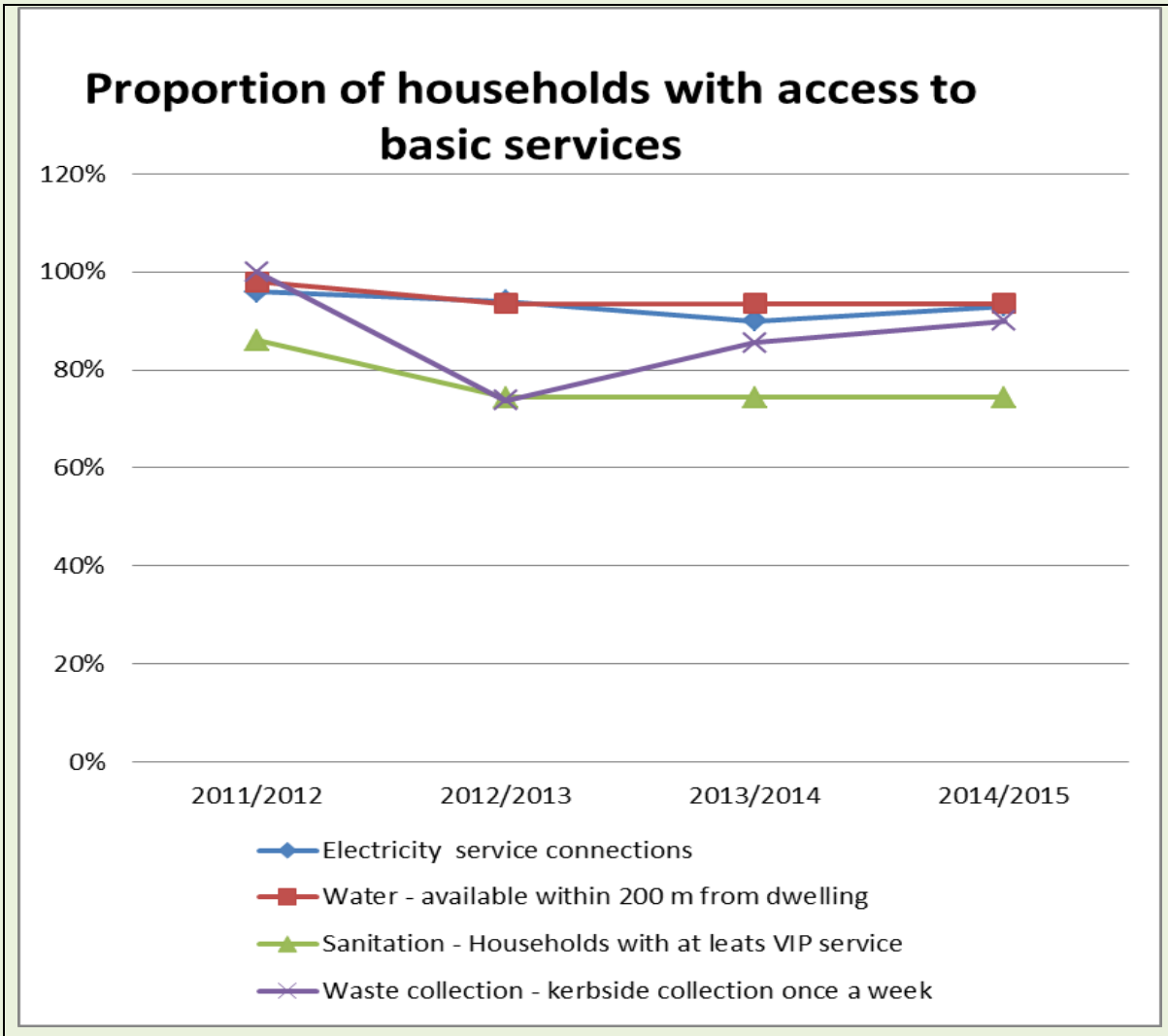
PROJECT	STATUS/FUNDING
Enlargement of the main sewer line in Rosedale	Project completed in 2013/2014. MIG and loan funding.
Extension of the Louisvale Road Sewerage Works	Planning phase and Environmental Impact Assessment completed in 2013/2014. Construction started in 2014/2015. MIG and loan funding.
Replacement of worn out water pipelines	Planning for completion in 2014/2015. Loan funding
Upgrading of the main sewer line in David Street, Pabalello	Completed in 2013/2014. Loan funding.
Replacement of worn out pumps	Completed in 2013/2014. Loan funding.
Provision of water on occupied residential erven.	Continuous project as new areas are made available. Loan funding.
Raw water pump at water treatment works	Completed in 2013/2014. Loan funding.
Abraham "*Holbors*" September Water Treatment Works, Algae Treatment	Planning phase completed in 2013/2014. Construction started. MIG and loan funding.

Road Infrastructure

PROJECT	STATUS/FUNDING
Resealing of streets, Phase 3	Completed in 2013/2014. Loan funding.
Upgrade Road Safety in Schroder Street	Project under construction for completion in 2014/2015. EPWP and loan funding.
Connection Road between Rosedale and Paballelo	Project under construction for completion in 2014/2015. MIG and loan funding.
Upgrade CBD storm water system	Planning and Design completed. Project put on ice due to a shortage of funds. For completion in 2015/2016. Loan funding.
Paving of the entrance road to Leseding	Completed 2013/2014. Extension of project for completion in 2014/2015. MIG funding

Paving of the entrance road to Louisvaledorp	Completed in 2013/2014. MIG funding.
Paving of the entrance road to Kalksloot	Project under construction for completion in 2014/2015 MIG funding
Paving of streets in Paballelo	Project under construction for completion in 2014/2014. EPWP funding
Paving of access road to Raaswater	Completed in 2013/2014. MIG funding.
Paving of streets in Smarties Valley, Rosedale	Project under construction for completion in 2014/2015. EPWP funding

T 1.3.1



T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Refuse removal
All households in the urban area are serviced weekly and rural settlements are serviced every 14 days.

Civil Engineering
The following backlogs still exist in terms of basic service delivery:

Water: All households in the urban area or rural settlements are serviced by means of house connections, communal standpipes within 200m of the household or water tanks nearby.

Sanitation: The backlog exists in the areas where informal houses were built on proclaimed erven during the last few years. The Municipality has started the process of bucket eradication in the 2013/2014 financial year with the technical assistance of the Municipal Infrastructure Support Agency (MISA) and the funding assistance of the Department of Co-operative Governance and Human Settlements and Traditional Affairs (CoGHSTA). The first project with regards to the bucket eradications programme, which entails the construction of sewer reticulation as well as full flush toilet structures for 313 erven in Rosedale, has started during 2013/2014 and will be completed during 2014/2015. Two other areas, where water networks are already in place, will follow during the 2015/2016 financial year. A business plan is being prepared for the Department of Co-operative Governance and Human Settlements and Traditional Affairs, which will address the remaining areas, which are still making use of the bucket system.

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Municipality's financial position remained unhealthy for the 2013/2014 financial year.

The revenue collection rate of 99.99% for the year under review, compared to 95.63% in the previous financial year shows an improvement in the collection rate of the municipality. Irrecoverable debt to the value of R772 579 were written off compared to R768 082.98 in 2012/2013.

The total outstanding service debtors to revenue ratio improved from 17.92% for 2012/2013 to 12.06% for 2013/2014. This ratio measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue.

The Municipality ended the year with cash and cash equivalents of –R0,6 million (2012/2013: R2, 9 million). Although the financial statements indicate a deficit of R4.6 million, it includes various non-cash transactions, which, if excluded, an actual surplus of R70 303 690 realised. The accumulated surplus at 30 June 2014 amounted to R 1 483 million, which is a decrease of R4.6 million or 0.31% over the previous financial year.

The financial position of the municipality showed further deterioration during the 2013/2014 financial year as the current ratio between current assets of R 66 021 540 and current liabilities of R 156 708 422 being a worse 0,42:1 compared to 0.57:1 in the previous financial year. Revenue for the 2013/2014 financial year of R 535 620 533 (2012/2013: R 458 721 977) exceeded accounts receivable of R 60 227 396 (2012/2013: R 57 909 663) by 8,9 times (2012/2013: 7,9 times).

Personnel costs as a percentage of total expenditure (including non - cash items) amounted to 36.73% in 2013/2014 compared to 34.66% in 2012/2013. This is within the accepted norm of 33% to 35% for South African municipalities.

Personnel costs as a percentage of total expenditure (excluding non - cash items) amounted to 44.67% in 2013/2014 compared to 42.25% in 2012/2013. This is almost 10% more than the accepted norm of 33% to 35% for South African municipalities.

Employee costs as a percentage of total operational revenue was 39.35% in 2012/2013 and decreased to 37.05% in 2013/2014. It is still excessive.

The cost coverage ratio decreased from 0.095:1 in 2012/2013 to 0.06:1 in 2013/2014. This ratio explains how many months' expenditure can be covered by the cash and other liquid assets available to the Municipality on 30 June of each year, excluding the utilisation of grants.

The 2013/2014 audit outcome is still outstanding as the Office of the Auditor General will be on site at //Khara Hais municipality on 11 August 2014, to commence with the 2013/2014 MFMA regularity audit. The 2013/2014 Annual Financial Statements must be completed on or before 31 August 2014, as stipulated by section 126 (1) of the MFMA. The final audit report on the 2013/2014 Annual Financial Statements will only be available on 30 November 2014, as stipulated by section 126(3)(b) of the MFMA.

A notable achievement was that the Municipality received a qualified audit opinion for the 2012/2013 financial year (2011/2012: disclaimer audit opinion).

A qualified audit opinion means that the financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated.

The 2013/2014 budget of R650.8 million, made up of a R585 million operational budget and a R65.8 million capital expenditure budget, as well as the 2013/2014 Adjusted budget were approved as per legislative requirements. An additional Adjusted budget was also submitted and approved by Council in June 2014 after the Municipality was awarded additional MIG-funding.

A major challenge over the next few years will be to keep rates and tariffs at affordable levels for ratepayers, while increasing the revenue of the municipality. This may necessitate a review of service delivery levels and adjustments if necessary.

T1.4.1

Financial Overview - 2013/14			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income			
Grants	101 808	141 406	118 394
Taxes, Levies and tariffs	372 849	363 169	375 021
Other	27 821	30 093	38 465
Sub Total	502 478	534 667	531 880
Less Expenditure	(585 008)	(578 345)	(456 896)
Net Total*	(82 530)	(43 678)	74 984
** Note: surplus/(defecit)*			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	43.7%
Repairs & Maintenance	2.2%
Finance Charges & Depreciation	3.7%
	T1.4.3

COMMENT ON OPERATING RATIOS:

Employee Costs
It is noted with real concern that the employee cost equals to 43% for the year under review. Management will investigate the reasons for this and implement controls to address this. A good ratio must be under 40%.

Repairs and Maintenance
//Khara Hais Municipality underspent about 41.33% of its repairs and maintenance budget for the 2013/2014 financial year. This is due to better care taken on assets that resulted in less repairs and maintenance of assets as well as stricter expenditure control that have been implemented in the 2013/2014 financial year.

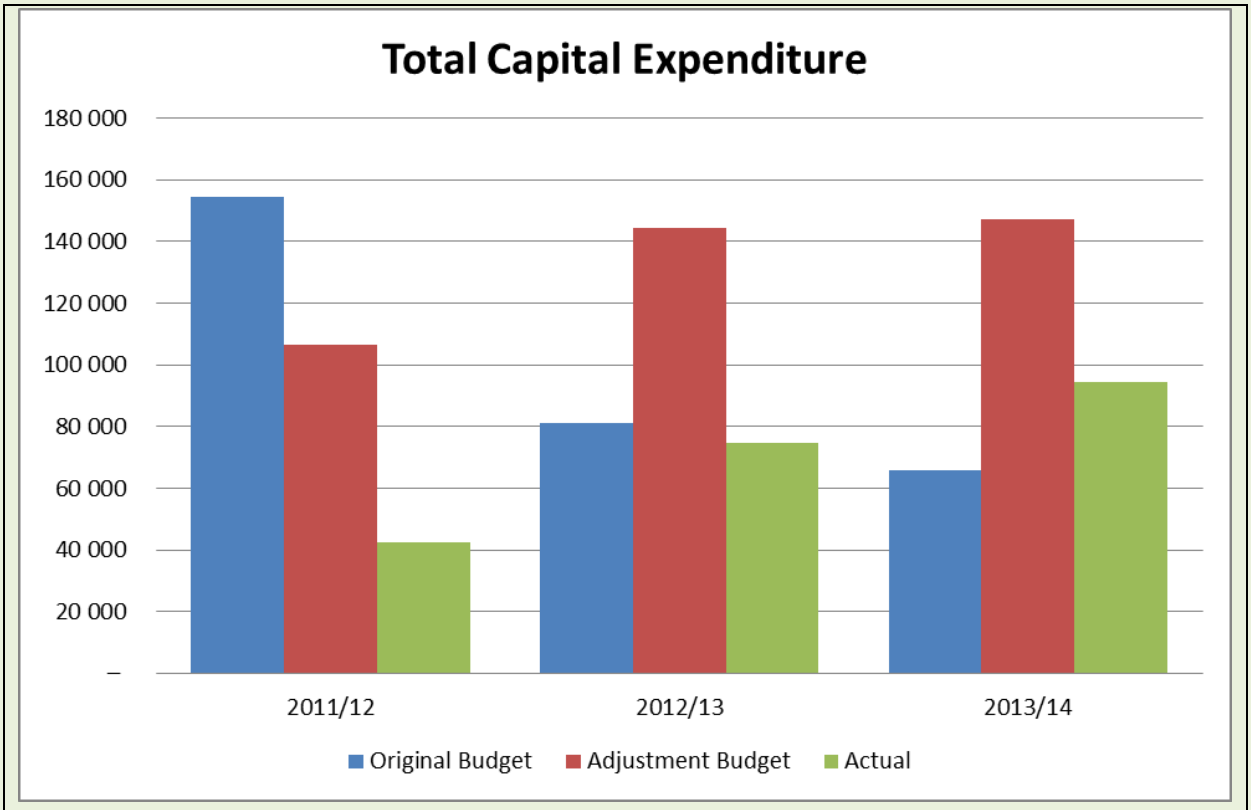
Repairs and maintenance represents some less than 2.3% of total expenditure for 2013/14. This is below the industry norm of 6% to 8% however this excludes the related staffing costs of R & M which many municipalities include in their final reporting figure. Until such time as there are proper national guidelines on how to include these costs, the figures shown in previous tables are open for misinterpretation.

It is accepted that the figure should be increased as to ensure that the assets are sufficiently maintained, but it is at the discretion of the responsible Directors in terms of the MFMA.

Finance Charges and Depreciation
Nog nie beskikbaar nie. Sal stuur sodra dit bereken is

T1.4.3

Total Capital Expenditure: 2011/12 to 2013/14			R'000
Detail	2011/12	2012/13	2013/14
Original Budget	154 277	81 028	65 815
Adjustment Budget	106 336	144 525	147 268
Actual	42 518	74 856	94 255
			T1.4.4



T1.4.5

COMMENT ON CAPITAL EXPENDITURE:

Electrical Services

A total amount of R20.756 million was budgeted for the expansion and upgrading of the electrical networks during the year of which R13.553million (65,3%) was spent at the end of June 2014. A total of R1.048 million (5%) were savings on roll-over projects, e.g. the completion of the 2013/14 electrification projects and the completion of the projects for the upgrading of the 11 kV networks, which were completed in August 2013. Projects to the value of R1.978 million (9,53%) could not be started due to negotiations with Eskom for the taking over of Olyvenhout Substation that is still in progress. The remainder of the unspent capital is for a project for the electrification of 849 houses in Rosedale and Paballelo. These projects are well underway and will be completed in August 2014. Delays in the completion of projects are due to the slow delivery of material, unavailability of construction machinery and labour problems experienced by contractors.

Development & Planning

For the 2013/2014 financial year significant progress was made in the spending of MIG grants, the main reasons being that sufficient projects were registered with the national MIG office but also that time consuming processes such as Environmental Impact Assessment Reports finally being concluded and approved, some of these taking as long as 14 months.

Community Services

The expenditure on capital projects within the Community Services Department was reasonable. The overall capital expenditure for the directorate was 56%. This is despite the shortage and over-commitment of some resources which were to be used for the implementation of projects. Other factors that hampered the overall expenditure were delays caused by re-advertisement of some tenders and in some instances the sourcing of funding to augment the original budget which was not sufficient to execute the project.

Civil Engineering

For the past few years, the municipality experienced a shortage of personnel in the technical directorates. Therefore several capital projects for those years could not be completed in time, and as a result capital expenditure was low. During 2012/2013 some of the staff shortages could be addressed and capital projects gradually started to take off. Although the capital expenditure for the year under review is less than both the Original Budget and the Adjusted Budget, several projects (especially MIG projects) normally require EIA-assessment reports. These reports can take between 6-9 months to complete. The municipality can also not do anything until the EIA-report are finalised, therefore these projects can only start to show expenditure-movement after 10-11 months. During 2013/2014 several large capital projects got underway and were completed, like the Upgrade of the Main Rosedale Sewer Line, and others are well underway in terms of construction progress, like the Paballello/Rosedale Link Road and the Abraham "*Holbors*" September Water Treatment Works, Algae Treatment.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

A total of 815 permanent employees and a Municipal Manager with 4 directors were employed. The municipality had a turn-over rate of 7.31%. R1.4m was spent on skills development and bursaries for employees. Not all vacancies could be filled due to insufficient funds. The average number of sick leave days per employee was 7.99. The estimated cost of sick leave due to injuries amounts to R3,2 million

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 2013/2014

//Khara Hais Municipality received a qualified audit opinion for the 2012/2013 financial year. We progressed from a disclaimer audit opinion for 2011/2012 to a qualified audit opinion for 2012/2013.

The municipality was qualified on the valuation of Investment Property as well as the valuation of Property, Plant and Equipment. Management feels yet again that the Office of the Auditor General did the municipality wrong through their process of auditing. We strongly feel that the AG's Office failed to do their work properly despite all the supporting documents and support that was provided to them.

The 2013/2014 audit outcome is still outstanding as the Office of the Auditor General will be on site at //Khara Hais Municipality on 11 August 2014, to commence with the 2013/2014 MFMA regularity audit. The 2013/2014 Annual Financial Statements must be completed on or before 31 August 2014, as stipulated by section 126 (1) of the MFMA. The final audit report on the 2013/2014 Annual Financial Statements will only be available on 30 November 2014, as stipulated by section 126(3)(b) of the MFMA. This section can therefore be completed in full only after 30 November 2014.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The importance of achieving annual report deadlines will enable the municipality to provide:

* Records or evidence of municipal activities during the year under review.
* Report on municipal performance against the budget for the year under review.
* And to account to the local communities for the decisions made by the municipality during the year under review.

The Municipal Manager appointed a committee consisting of representatives of the various directorates to oversee the compilation of the Annual Report for 2013/2014. The Committee had its first meeting in early June where a time-table and role-classification was drawn up. Regular progress reports were made to the Municipal Manager on the following dates:

30 June 2014
14 July 2014
28 July 2014
11 Augusts.

The first draft document was submitted to the Municipal Manager on 15 August 2014. The draft Annual Report was tabled to the Audit- and MPAC-committee on 21 August 2014.
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T1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Chapter 3, Section 18, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) provides that:

- Municipalities must have a municipal council.
- A municipal Council must meet at least quarterly.
- A municipal council consists of a number of councilors determined by the MEC of Local government and traditional affairs in the province concerned by notice in the government gazette.
- A municipality has the power to designate councilors determined by the MEC for Local government and traditional affairs as full time. An MEC's determination must be in accordance with policy frame work as determined by the Minister after consulting the MECs for Local government and traditional affairs.

Chapter 7, Section 152(1) of the Constitution of the Republic of South Africa, 1996, states the following objects of local government:

- To provide democratic and accountable government for local communities.
- To ensure the provision of sustainable services to communities.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organisations in matters of local government.

Chapter 3, Section 19(2), of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) states that a municipality must annually review:

(a) the needs of the community;
(b) its priorities to meet those needs;
(c) its processes for involving the community;
(d) its organisational and delivery mechanisms for meeting the needs of the community; and
(e) its overall performance in achieving the objectives referred to in subsection (1).

Section 19(3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) determines that a council must develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Chapter 7, Section 151 of the Constitution of the Republic of South Africa, 1996, defines the status of municipalities as follows:

(1) The local sphere of government consists of municipalities, which must be established for the territory of the republic.

(2) The executive and legislative authority of a municipality is vested in tis municipal council.

(3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provided for in the constitution.

(4) The national and provincial government may not compromise, impede a municipality's ability or right to exercise its powers or perform its functions.

The Council of //Khara Hais municipality consists of 27 Councillors. The Municipality is divided in wards. 14 of the 27 Councillors are ward based, the rest are proportional representatives.

The Mayor is a non-executive Mayor. The Council uses an Executive Committee system assisted by committees established in term of Section 79 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

The Executive Committee consists of five members.

Meetings held:

Type of meeting	**Month**	**Total**
Council meeting	July 2013-June 2014	11
Executive committee meeting	July 2013-June 2014	11

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Council of //Khara Hais Municipality operates on an Executive Committee system, with the Mayor being the chairperson of the Executive Committee.

In terms of Section 79 of the Local Government: Municipal Systems Act, 1998 (Act 117 of 1998) Council has established the following Section 79 Committees:

- Committee for Service Delivery and Infrastructure Development;
- Committee for Local Economic Development;
- Transformation and Institutional Development;
- Committee for Financial Viability; and

- Committee for Corporate Governance, which report to the Executive Committee which makes recommendations to the Council meeting.

The Administration under the leadership of the Municipal Manager, are requested to advise Council accordingly and executive decisions as taken.

There is a sound relationship between the political leadership and the administrative staff of the Institution.

An Audit Committee for //Khara Hais Municipality was established in terms of attached to your municipality that provides opinions and recommendations on financial matters.

T2.1.1

MAYOR		Cllr Limakhotso Alfonsina Koloi	The Mayor is the chairperson of the Executive Committee. She performs the duties, including any ceremonial functions, and exercises the powers delegated to the Mayor by the Municipal Council or Executive Committee.
SPEAKER		Cllr Thomas Basson	
Chief Whip		Cllr M Andreas	

EXECUTIVE COMMITTEE	Cllrs M Segede, JL Snyman, K De Wee, E Allies LA Koloi (Mayor) - seated **FOTO MOET GENEEM WORD**	The Council established an Executive Committee comprising of 5 members. The Mayor in conjunction with the council decides when and where EXCO meets. It is composed in the following way: *ANC **3** seats*, *DA* and *COPE **1** seat* each.

COUNCILLORS

The Municipal Council was elected on the 11 May 2011, it consists of 14 ward and 13 proportional councilors.

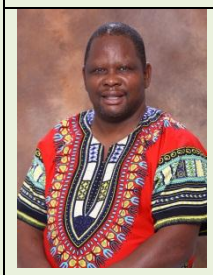
It is led by the African National Congress (ANC) with sixteen (16) representatives, seven (7) from the Democratic Alliance (DA) and four (4) from the Congress of the People (COPE).

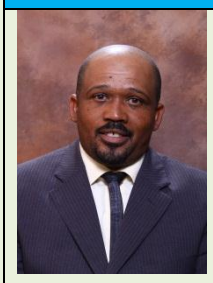
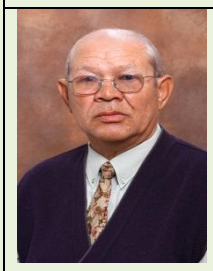
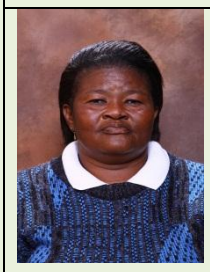
Ward Councillor I. Van Wyk, of the ANC, passed on and there is a vacancy in the Ward he represented. A by-election will be held on 13 August 2014 to fill the vacant ward councilor position.

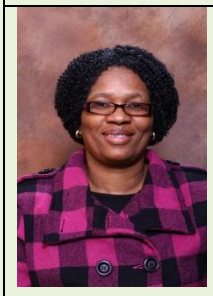
Councilor JM Van Wyk, of the DA, resigned as proportional Councilor and was substituted by EM Olyn as proportional councilor.

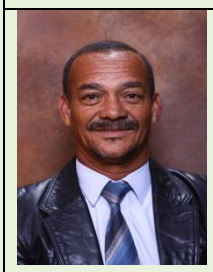
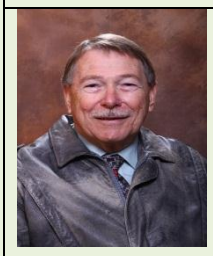
Also refer to **Appendix B** which sets out committees and committee purposes.

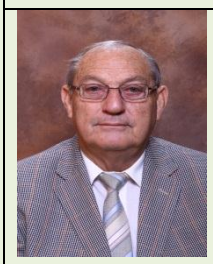
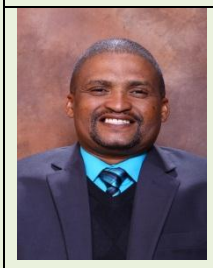
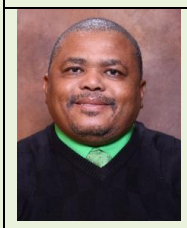
T2.1.2

COUNCILLOR	WARD	PROPORTIONAL
MM Abels (COPE)		X
E Allies (ANC)		X
M Andreas (ANC)	Ward 4 X	
J Assegaai (DA)		X
 T Basson (ANC)		X

COUNCILLOR	WARD	PROPORTIONAL
 MG Brand (ANC)	Ward 2 X	
K de Wee (COPE)		X
R George (ANC)	Ward 5 X	
 J Isaacs (COPE)		X
 M Kock (ANC)	Ward 12 X	

COUNCILLOR	WARD	PROPORTIONAL
LA Koloi (ANC)		X
EM Lebitsa (ANC)	Ward 13 X	
SP May (ANC)	Ward 10 X	
 E Mnyaka (ANC)	Ward 1 X	
J Moya (ANC)	Ward 14 X	
E Munnik (ANC)		X

COUNCILLOR	WARD	PROPORTIONAL
DZ Ntlanganiso (ANC)	Ward 6 X	
M Olyn (DA) as from 1 March 2014		X
M Plaatjies (DA)		X
M Segede (ANC)	Ward 7 X	
 IISS Selborne (DA)		X
 JL Snyman (DA)		X

COUNCILLOR	WARD	PROPORTIONAL
J Thomas (COPE)		X
PT van der Steen (DA)	Ward 8 X	
 AJ van Rooyen (DA)	Ward 9 X	
A van Wyk (ANC)	Ward 3 X	
 I van Wyk (ANC) Until 24 May 2014	Ward 11 X	
 JM van Wyk (DA) Until 28 February 2014		X

POLITICAL DECISION-TAKING

The following section 79 committees were established, iIn terms of Section 79 of the Local Government: Municipal Systems Act, 1998 (Act 117 of 1998), by the Council:

- Committee for Service Delivery and Infrastructure Development.
- Committee for Local Economic Development.
- Committee for Transformation and Institutional Development.
- Committee for Financial Viability.
- Committee for Corporate Governance
- The Executive Committee

Ad-hoc committees for specific matters were also established, like the Local Labour Forum, Council/Administration Committees for Housing and Finance, Media & Communications Committee etc.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 60 the Municipal Manager of a municipality is the accounting officer of that municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political officer bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 61 (1) a Municipal Manager must:

"*(a) act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs;*

(b) disclose to the municipal council and mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or mayor;

(c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interest of the municipality."

The Municipal Manager is the head of the administration of //Khara Hais Municipality and provides the link between the political and administrative arms of the Municipality. Section 66 of the Local Government: Municipal Systems Act Act, 2000 (Act 32 of 2000) states the following:

"*66(1) a municipal manager within a policy framework, determine by the municipal council and subject to any applicable legislation, must*

(a) develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval."

In terms of the above-mentioned section the Municipal Manager embarked on a process of reviewing the current staff establishment. The new staff establishment was approved by Council on 31 January 2014.

The organisational compilation of the office of the Municipal Manager is as follows:

Office of the Mayor & Speaker
Performance Management & Work Study
Internal Audit
Risk Management

Macro-structure:
Directorate Corporate Services
Directorate Community Services
Directorate Financial Services
Directorate Electro-Mechanical Engineering Services
Directorate Civil Engineering Services
Directorate Planning & Development Services

T2.2.1

SENIOR MANAGEMENT STRUCTURE

MUNICIPAL MANAGER
Mr WJB Engelbrecht
Until 30 November 2013

The Municipal Manager is the head of the administration of //Khara Hais Municipality and provides the link between the political and administrative arms of the Municipality.

MUNICIPAL MANAGER
Mr DE Ngxanga
As from 1 December 2013

Director: Community Services
Mr MG Bovu

Responsible for the following functions:
Environmental Health Services
Traffic
Fire & Disaster Management
Libraries
Parks & Recreation
Security Services.

Director Corporate Services
Mrs C Newman

Responsible for the following functions:
Human Resources
Secretariat
Client Services
Communication
Legal Advice Services
Information Technology

Chief Financial Officer
Miss G Schreiner

Responsible for the following functions:
Income & Revenue Collection
Finance & Asset Management
Supply Chain Management
Fleet Management & Vehicle Tracking

	Director Electro-Mechanical Engineering Services Mr HA Auret	Responsible for the following functions: Electrical Networks & Distribution Electrical Maintenance Metering & Planning Mechanical Workshop
	Acting Director Civil Engineering Mr JE Kock	Responsible for the following functions: Water Purification, Sewerage Treatment & Sanitation Water Distribution, Sewerage Collection & Maintenance Roads & Storm Water Management Civil Service, Planning & Projects
	Acting Director Development and Planning Mr PJ Viviers	Responsible for the following functions: Town Planning & Building Control Housing & Human Settlement Planning & Project Management LED IDP Management and Implementation of MIG-Funding

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Constitution of the Republic of South Africa, 1996, states in Chapter 3, section 40, the following:

"*40 (1) In the Republic, government is constituted as national, provincial and local Spheres of Government which are distinctive, independent and inter-related.*

(2) All spheres of government must observe and adhere to the principles in this chapter and must conduct their activities within the parameters that chapter provides."

THE LOCAL GOVERNMENT COMMUNICATION FORUM
This forum met on a monthly basis during the 2013/2014 financial year. A total of 10 meetings took place during the 2013/2014 financial year. No meetings were held during December 2013 and January 2014.

The forum served as a platform for local government to work with the district municipality and government departments on matters that are affecting local government interest.

The forum also served as a platform where all the programs can be consolidated and therefore working together as opposed to silos.

The forum also assist in fast tracking service delivery by gathering all the government entities under one roof for faster and easier decision making purposes.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) states that the role of the National Intergovernmental Forums is:

- To raise matters of national interest within that functional area with provincial governments and, if appropriate, organized local government and to hear their views on those matters
- To consult provincial governments and, if appropriate, organized local government on-
  - The development of national policy and legislation relating to matters affecting that functional area.
  - The implementation of national policy and legislation with respect to that functional area.
  - The co-ordination and alignment within that functional area of strategic and performance plans and priorities, objectives and strategies across national, provincial and local governments.
  - The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the provincial government and local government in the province

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

As stated by Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the Provincial Intergovernmental forums are:

- The implementation in the province of national policy and legislation affecting local government interests.
- Matters arising in the Presidents co-coordinating council and other national intergovernmental forums affecting local government interests in the province.
- National policy and legislation relating to matters affecting local government interests in the province.
- The co-ordination of provincial and municipal development planning to facilitate coherent planning in the province as a whole.

T2.3.2

DISTRICT INTERGOVERNMENTAL STRUCTURES

According to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the District Intergovernmental forums is:

- to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest including-

  Draft national and provincial policy and legislation relating to matters affecting local government interests in the district.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Chapter 7 of the Constitution of the Republic of South Africa, 1996, highlights the objectives and shows the importance of Local Government.

Section 152 (e) of the Constitution emphasizes the importance of the community involvement in this sphere of government. In the strife for good governance the Municipality must budget for community consultations, participation and empowerment.

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) in Section 16(1) requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16(1) further states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(1)(d) requires a municipality to supply its community with information concerning municipal governance, management and development.

The Municipality has a community participation plan in place. Every year the council embark on a programme called, **Council meets the People**. This programme covers the whole Municipal area. It gives the communities an opportunity to interact with the Councillors in the different Wards. The Chief Financial Officer and the Finance Team went out with the members of the Executive Committee in the preparation of the budget. The IDP process involves also the communities in different Wards. Ward base meetings happens on a monthly bases in the Wards and it give the Councillors an opportunity to interact with the people in his Ward.

A broader view of community participation the Legislation on Local Government set clear mechanism for the establishment of the Ward Committees as a structure to liaise with the Municipalities.

Municipalities are obliged to develop lasting and successful models by ensuring that participation takes place through these established structures and as are institutionalised. They are a creation of legislation, the Municipal Structures Act, giving effect to the Constitution of the South Africa.

Its role is to facilitate participatory democracy, disseminate information; help rebuild partnership for better service delivery, and assist with problems experienced by the people at Ward level.

T2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

//Khara Hais Municipal Council has a Communications unit which deals among other things to inform communities about services and service delivery related issues through the media. Participation of the Public in the Municipal affairs in a democratic and meaningful way is done through ward public or community and through the council meets the people programmes. The IDP forum is also one way through which issues of the communities are captured and prioritized.

T2.4.1

WARD COMMITTEES

PUBLIC MEETINGS

Local government legislations made a provision for local authorities to establish a system of participatory democracy at the local level in the form of Ward Committees. Ward Committees were introduced in municipalities as community structures to play a vital role in linking and informing the municipalities about the needs, aspirations, potentials and problems of the communities. They were established to form the bridge between local municipalities and communities by facilitating proper communication. By working directly with the Municipality, ward committees, serve as a cord which articulates the new system of local government to the majority of the people, more especially to previously disadvantaged communities. Ward committees have an important role to play in actively taking part and determining core municipal business such as Integrated Developmental Planning, Budgeting, Municipal performance management process, without which democracy cannot be said is rooted on among the people. Ward committees are a creation of legislation, the Municipal Structures Act, giving effect to the Constitution of the South Africa.

Ward committees has dealt with a variety of community needs, problems and aspirations at ward level. The major issues among other were housing challenges, road infrastructure, water and electricity.

The role of political leadership in governance is that of managing the relationship between the government and civil society. If good democratic governance refers to working with and listening to citizenry as individual, interest groups and society as a whole, thus it involves active co-operation and ongoing engagement in the process of policy formulation and implementation between politicians, public officials and members of the communities. The government has to ensure that all its structures enable the public to exercise a meaningful say. Governance as a process of facilitation and ensuring the delivery of goods and services through the management of social power and power relations thus includes a means of social stability and well-being through deepening democracy. Governance has been described as "*both a broad reform strategy and a particular set of initiatives to strengthen the institutions of civil society with the objective of making government more accountable, more open and transparent, and more democratic*" (Monique, 1997:4 in Gaventa and Valderrama). For others authors, it represent a change in meaning of government, referring to a process of governing,

T2.4.2

Public Meetings					
Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Dates and manner of feedback given to community**
Community meeting at ward 6, Pabalello	9-Apr-14	One (The ward Councillor)	None	27 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 14, Leerkrans	15-Apr-14	One (The ward Councillor)	None	114 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 1, Rosedale	17-Jun-14	One (The ward Councillor)	None	41 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 6, Pabalello	23-Jun-14	One (The ward Councillor)	None	66 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meetings at ward 14, Lambrechdrift	24-Jun-14	One (The ward Councillor)	None	27 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 14, Leerkrans	25-Jun-14	One (The ward Councillor)	None	71 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 14, Karos	26 Junie 2014	One (The ward Councillor)	None	42 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 10, Rosedale	10-Jul-13	One (The ward Councillor)	None	27 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 11, Kalksloot	4-Jul-13	One (The ward Councillor)	None	22 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 5, Louisvaleweg	16-Jul-13	One (The ward Councillor)	None	54 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 3, Bellvue	9-Jul-13	One (The ward Councillor)	None	28 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 14, Ntsikelelo	7-Jul-13	One (The ward Councillor)	None	50 community members attended	Feedback was given by the ward councillor in the follow up community meeting.

Community meeting at ward 14, Leerkrans	11-Jul-13	One (The ward Councillor)	None	72 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 14, Karos	16-Jul-13	One (The ward Councillor)	None	42 Community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 10, Rosedale	24-Aug-13	One (The ward Councillor)	None	56 Community members attended	Feedback was given by the ward councillor in the follow up community meeting.
Community meeting at ward 1, Rosedale	21-Aug-13	One (The ward Councillor)	None	45 community members attended	Feedback was given by the ward councillor in the follow up community meeting.
					T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Public meetings that were held were effective in the sense that communities raised the service delivery matters via the Ward public meetings. This in essence averts possible service delivery marches/strikes as council could deal with the concerns of the communities.

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
Does the municipality have impact, outcome, input, output indicators?	Yes
	T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The main components of corporate governance involve direction, executive action, supervision, and accountability. One of the great attributes of practicing good governance is that a well-governed company usually is able to attract better employees. As one of the most important assets of the municipality is its reputation, it is imperative that all organizations pursue the above. The practice of good governance can be achieved by being aware of the four fundamental duties; namely good faith, care, skill and diligence.

Corporate Governance has seven very distinct characteristics. These are:

Discipline: Corporate discipline is a commitment by a company's senior management to adhere to behaviour that is universally recognized and accepted as correct and proper.

Transparency: Transparency is the ease with which an outsider is able to make meaningful analysis of the municipalities actions.

Independence: Independence is the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest that may exist.

Accountability: Individuals or groups in the municipality who make decisions and take actions on specific issues need to be accountable for their decisions and actions.

Responsibility: The municipality must act responsibly towards all stakeholders.

Fairness: The systems that exist within the municipality must be balanced, taking into account all those who have an interest in its future.

Social Investment: A well-managed municipality will be aware of and respond to social issues, placing a high priority on ethical standards. We must encourage a trustworthy, moral, as well as ethical environment in the municipality.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk Assessment Methodology

Accounting officers, and other officials within the organisation, should ensure that they have effective, efficient and transparent systems of financial and risk management and internal control. In order to assist management in discharging certain of their risk management responsibilities, Internal Audit and Risk Management embarked on a process to facilitate the identification and rating of business risks. In terms of the process, representatives from the various directorates within the municipality attended a workshop during May 2013. The risk assessment was performed at both strategic and operational level.

The following documents with regards to Risk Management were reviewed and approved by Council and the Risk Management Committee during June 2013:

- Risk Management policy
- Risk Management strategy
- Risk Management framework
- Risk Management Committee Charter

Approach: Risk Identification Workshop
A risk assessment cannot be seen in isolation. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) developed a framework that could be used by managements to evaluate and improve their organisations' enterprise risk management. The risk assessment of //Khara Hais Municipality was done in line with COSO. The risk assessment workshop focused on the following components of the framework:

- **Objective Setting** – Objectives was set before management identified potential events that may have an impact on the achievement of these objectives.
- **Root cause identification –** Root causes was identified to have an understanding of the origin of the risk.
- **Event Identification** – Internal and external events affecting achievement of the municipalities objectives (distinguishing between risks and opportunities); and
- **Risk Assessment** – Inherent and residual risks were rated on their impact, if materialised, and likelihood of materialising.

Risk Assessment Results
The results of the risk assessment process represent the participants' interpretation and perception of the nature and quantum of the risks impacting the municipality. The quality of the results therefore depends on the knowledge, experience and quality of input of the participants.

The rating of risks was as follows:
The four potential effects of an identified risk are:

- Impact before controls
- Impact after controls
- Likelihood before controls
- Likelihood after controls

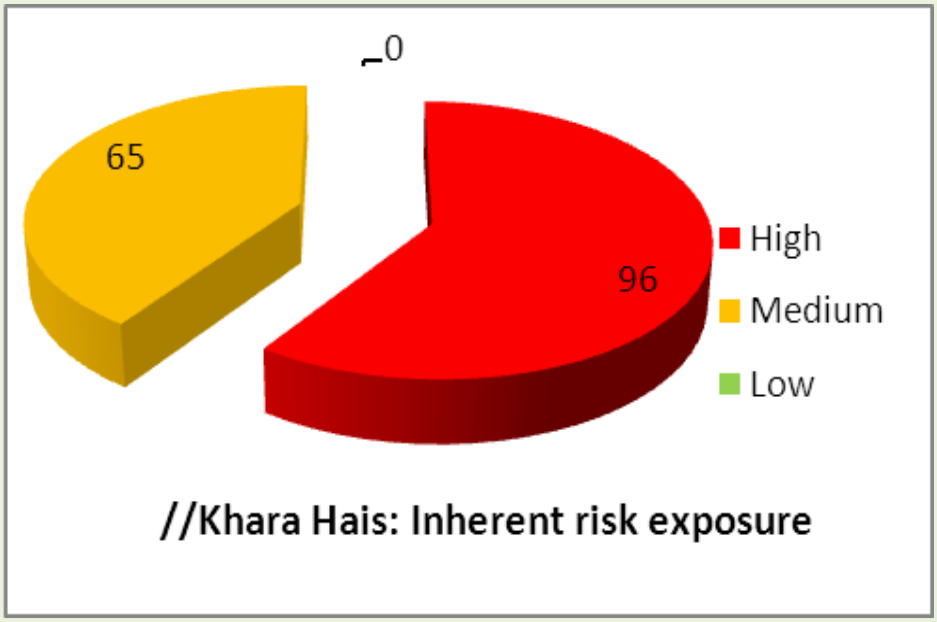
Impact may be defined as the effect to the municipality's process if the adverse event would occur. The rating is as follows:

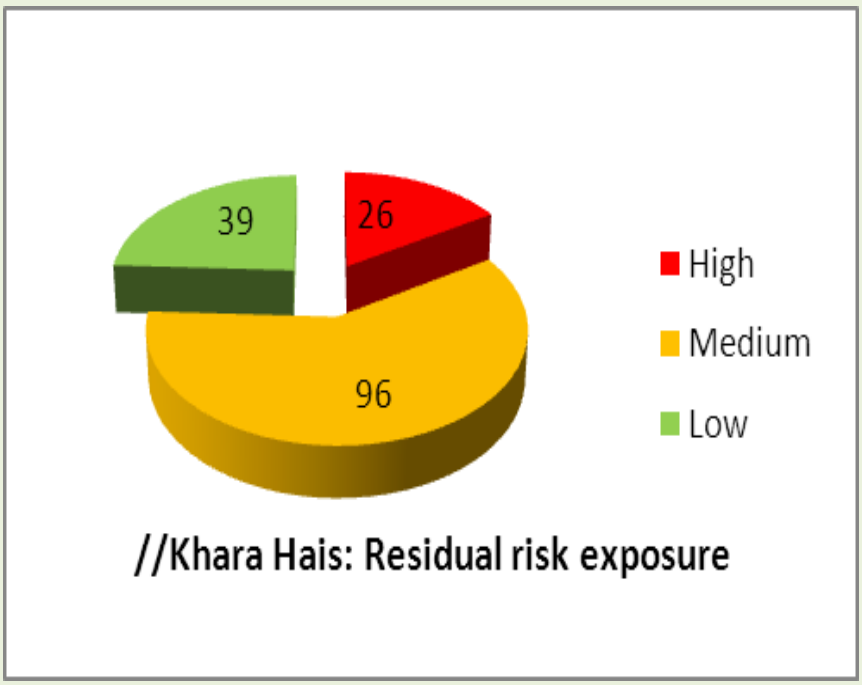
1. If event would occur, it would be negligible effect
2. If event would occur, risk can be managed
3. Service delivery may be affected
4. Major delay on service delivery
5. Collapse of organisation's functions (Major intervention required)

Likelihood may be defined as the probability that an adverse event, which could cause a risk to arise, may occur. The rating is as follows:

1. Not probable
2. Low probability
3. Moderate probability
4. High probability
5. Nearly certain

Managing business risks associated with in the municipality is an ongoing process involving different levels within the organisation. Even though risks identified may have a low likelihood of occurring or controls are in place mitigating the risks, a continuous approach of monitoring and testing of controls needs to be done by management supported by the internal audit function. During the risk assessment workshops, management identified and assesses 161 risks which can hamper the achievement of objectives. Inherent risks are risks before the implementation of controls and Residual risks are risks after implementation of control measurements to mitigate the likelihood and impact of risks. A graphical layout of these risks is as follows:





T2.6.1

The top risks that were facing the municipality are:

	Objective	Risk	Inherent risk exposure				Current controls (mitigation)	Residual risk exposure				Action to improve management of risk & implementation dates
			Likelihood	Impact	Score	Risk level		effectiveness (control strength)	Perceived control effectiveness	Score	Risk level	
Water Purification	Supply sufficient clean drinking water	Unacceptable water quality.	4	4	16	high	Operational and independent quality testing of water. Skills development and retention of process controllers. Budgeting process to ensure operation and maintenance processes. Comply with drinking water quality standards (ongoing from 6.2012)..	2	0.2	4	low	Install scour valves at dead ends (12.2015). Install inline chlorination units (12.2015).
Water distribution	To provide and maintain water distribution networks	Inadequate capacity of network.	4	4	16	high	Monitoring of meter fault list. Repair of tampered meters. Prepaid water meter programme. Ongoing installation of prepaid meters for indigents	3	0.5	8	medium	Long term master plan (6.2015). Integration of planning initiatives of different departments. Filling of vacancies (10.2014)
Water distribution	To provide and maintain water distribution networks	High levels of non-revenue water.	4	4	16	high	Emergency repairs for pipe burst and vandalism. Prepaid water meter programme. Quantification of none revenue water.(Ongoing)	3	0.5	8	medium	Quantification of none revenue water.(6.2013). Installation of bulk meters (6.2013).
Supply Chain Manageme nt	Compliance with SCM regulations and policy.	Irregular expenditure (Noncompliance with laws and regulations)	4	5	20	high	Supply Chain Management Policy. Monthly reporting to Council and National Treasury regarding deviations. Approved delegation, signing powers and procedures (orders approved after verification of requisition and supporting documents). Deviation approval from the MM above R2000. System prohibits orders to be generated if tax clearance has expired. Centralized SCM processes	4	0.75	15	high	Directive to all divisions to inform that no purchases will be allowed without the requisition procedures as well as direct payments (6.2013). Review of SCM policy (6'2013). Compile register for identification of irregular expenditure out of deviation report and direct payment (6.2013). Submit deviation report to NT and PT (6.2013).
Sewerage networks	To provide and maintain sewerage collection networks.	Deterioration of infrastructure.	3	3	12	medium	Emergency repairs. Maintenance programme for main sewer lines. Daily inspections of sewerage pump stations.	2	0.25	3	low	Apply for funding for Network replacement and refurbishment. (6.2016). Purchase of vehicles in bidding stage (6.2015).

							24/7 standby. Replacement of main line between Rosedale and sewerage network					Replacement of main line between Dawid Street phase two and behind Protea Hotel.(6.2015) Filling of vacancies.(6.2015)
Sewerage networks	To provide and maintain sewerage collection networks.	Inadequate capacity of network.	3	3	9	medium	Dawid Street phase one completed. Replacement of main line between Rosedale and sewerage network	1	0.1	9	medium	Long term masterplan (6.2015). Integration of planning initiatives of different departments. (12.2014) Replacement of main line between Dawid Street (phase two) and behind Protea Hotel.(6.2015)
Sanitation	The rendering of effective and sufficient sanitation services.	Ineffective sanitation services through the provision of bucket system and UDS / VIP toilets.	4	4	16	high	Cleaning of toilets as requested. Regular inspection. Removal of buckets (frequency). Sealing of UDS toilets. Reparation of UDS lids. Public awareness and education on the proper and correct usage of UDS/ VIP toilets (ongoing) .	4	0.75	12	medium	Annual cleaning of UDS toilets (ongoing).
Resorts	Profitability of resorts.	Not reaching of budgeted income.	4	4	16	high	Donations approved by Municipal Manager and internal departments bookings by means of an IDA. All reservations made are paid. Respond on customer complaints. Daily reconciliations of income. Marketing of resort. Security patrols. Implementation of a complaints register. Monthly reconciliations of income against the occupancy rate. Proof of payment by client before checking in	4	0.75	12	medium	Cash inspections by management on an unannounced basis (ongoing from 7.2014). Repairs of cash register (9.2014). Investigation of best practices at other resorts (7.2014).
LED	Create an enabling environment for economic growth.	Ineffective local economic development.	4	3	12	high	Sectorial meetings with different Stakeholders. Approved LED plan. Training to personnel. Implementation of LED plan.	3	0.5	16	high	Training on the improvement of the implementation of the LED Plan (9.2014). Implement the principle of interchangeable positions on the same level (12.2014).
PMS	Develop measurable, specific, relevant, accurate and timeous KPI's	SDBIP not measuring implementation of IDP and Budget.	4	4	16	high	SDBIP is in place and quarterly measurements thereof. Measurable performance objectives for revenue from each source and from each vote in the budget (sec	3	0.5	8	medium	Review of alignment of IDP, budget and SDBIP by AG (6.2013)

							24(2)(c)(iii) of MFMA. Indicators developed for each function from each vote in budget aligned with strategic focus area in IDP to address main objectives of each section . Integration of the IDP, SDBIP, PMS and budget (annually). Proper alignment between budget, IDP and SDBIP (quarterly)					
Housing & human settlement	Promote sustainable land development and housing within the fiscal, institutional and administrative means.	Inadequate housing development to address the need.	5	4	20	high	Contracts with the service providers (consultants and contractors) and COGHSTA. Site meetings with all stakeholders. Manual waiting list. Available land. WINDEED programme. Needs register.	3	0.5	10	medium	Establishment of a project management team do drive integrated processes. (12.2014). Accreditation process level 3 in process.(5.2015)
Housing & human settlement	Adequate available serviced erven for housing projects.	Inadequate available serviced erven for housing projects.	4	4	16	high	Identification in IDP. Law enforcement. Spatial development plan. Erven available.Awareness campaigns (ongoing).	3	0.5	8	medium	Monitoring of vacant land (ongoing from 7.2014). Timeously provision of ervens. (9.2014)
Housing & human settlement	Effective reparation of disaster houses.	No repairing of disaster houses (emergency houses).	4	5	20	high	Compilation of business plans for disaster houses (ongoing).	4	0.75	15	high	Interaction with Emergency Services to review the Disaster Management Policy to include the processess to be followed by housing (7.2014) . Interaction with senior management of COGHSTA exco (9.2014).
Electrical : Maintenance	Maintain electrical installations within Council (e.g. municipal infrastructure assets, non distributions)	Poor operation of plants and installations	5	4	20	high	Maintenance plan and implementation of alternative plans.	4	0.75	15	high	Review of organogram to include street light attendant (07.2014). Review of maintenance plan (Ongoing from 07.2014).
Electrical : Distribution	Provision of electricity.	Poor condition or failure of electricity network.	4	5	20	high	Annual maintenance plan. IDP project list.	2	2.5	5	low	Reviewing and updating of maintenance plan (ongoing from 07.2014)
Debt collection, credit control and indigent support	To collect revenue	Ineffective revenue collection measures which will lead to cash flow problems.	4	5	20	high	Strict implementation of the debt collection policy. Verification of arrangements for the correctness thereof. Physical inspection on blocked and cut off meters.	3	0.5	10	medium	Investigation on the correctness of the collection rate (12.2014).

2.7 ANTI-CORRUPTION AND FRAUD

ANTI-CORRUPTION AND FRAUD STRATEGY

Fraud and corruption is a global phenomenon and as such require concerted efforts from both the public and private sector. //Khara Hais Municipality recognises four components i.e. prevention, detection, investigation and resolution, which plays an integral part in the fight against fraud and corruption.

The primary objective of this strategy is to prevent fraudulent conduct before it occurs. The fundamental advantage of prevention of fraudulent conduct advances two main purpose of criminal law: deterring future criminal conduct and protecting the public from dangerous offenders. The characteristic of successful fraud enforcement is its effectiveness not only in apprehending those who have already violated the law, but also in preventing others from committing acts of fraud. In South Africa, Common Law defines fraud as "*the unlawful and intentional making of a misrepresentation which causes actual and or potential prejudice to another*".

The term "*fraud*" is also used in a wider sense by the general public. In this regard, the term is used in this document in its widest possible meaning and is intended to include all aspects of economic crime and acts of dishonesty. In other words, fraud can be described as any conduct or behaviour of which a dishonest representation and/or appropriation forms an element.

The general offence of corruption is contained in Section 3 of The Prevention and Combating of Corrupt Activities Act. This section provides that any person who gives or accepts or agrees or offers to accept / receive any gratification from another person in order to influence such other person in a manner that amounts to:

- The illegal or unauthorised performance of such other person's powers, duties or functions;
- An abuse of authority, a breach of trust, or the violation of a legal duty or a set of rules;
- The achievement of an unjustified result; or
- Any other unauthorised or improper inducement to do or not to do anything is guilty of the offence of Corruption.

Corruption in its wider meaning, and as referred to in this document, includes any conduct or behaviour where a person accepts, agrees or offers any gratification for him/her or for another person where the purpose is to act dishonestly or illegally. Such behaviour also includes the misuse of material or information, abuse of a position of authority or a breach of trust or violation of duty.

The // Khara Hais Council resolved as per Resolution 12.1/05/2014 date 27 May 2014:

*"1. That Resolution 9/07/2002 dated 29 July 2002, relating to the "*Teenbedrog- en Korrupsieplan*" be repealed.*
2. *That the Anti – Fraud and Corruption strategy/policy, as presented to Council be adopted."*

The main principles of the Fraud Prevention are the following –

- Creating a culture which is intolerable to corruption/fraud
- Deterrence of corruption and fraud
- Preventing corruption/fraud which cannot be deterred
- Detection of corruption/fraud
- Fraud prevention plan/strategy
- Investigating detected corruption/fraud
- Taking appropriate action against fraudsters. e.g. prosecution, disciplinary action
- Applying sanctions, which include redress in respect of financial losses

Objective

Encourage a culture within //Khara Hais Municipality where all employees, the public and other stakeholders continuously behave ethically in their dealings with, or on behalf of //Khara Hais Municipality improving accountability, efficiency and effective administration within //Khara Hais Municipality. Improving the application of systems, policies, procedures and regulations, changing processes of the Municipality that facilitate corruption/fraud and allow it to go unnoticed or unreported.

Administration

- The custodian of this policy is the Accounting Officer who supported in its implementation by all Heads of Department.
- The Accounting Officer is responsible for the administration, revision, interpretation and application of this policy.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is necessary to ensure a sustainable and accountable supply chain that promotes black economic empowerment and local economic development. The drafting and implementation of both an SCM policy and procedures have ensured that the processes are fair, equitable, transparent, competitive, environmentally friendly and cost effective, in accordance with the rules and regulations from the different spheres of government.

The municipality is currently operating a centralized SCM unit meaning that all procurement processes are dealt by the supply chain unit, which will promote and enhance an open and fair tendering process to all suppliers, regardless of the particular communication media that they may have access to. This system will level the playing field for all suppliers and also ensure that the amount of irregular expenditure will be minimized.

SUPPLY CHAIN MANAGEMENT UNIT (STAFF ESTABLISHMENT)
Tenders and orders
1 x Manager Supply Chain Management
2 x Senior Accountant Supply Chain Management
1 x Assistant Accountant Supply Chain Management
1 x Senior Clerk Supply Chain Management
5 x Buyers
2 x Supply Chain Management Clerks

Stores
1 x Head Buyer (Vacant)
1 x Senior Store man (Vacant)
3 x Assistant Store man (1 of the Ass. Store man acts in the Head Buyer's position and the other in the senior buyer's position)
1 x Cleaner

REVISED PREFERENTIAL PROCUREMENT REGULATIONS REPORTING
Reports of all awards made above R100 000 have been submitted to National Treasury in terms of SCM circular no 19 of 2008.

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY
The SCM Policy was adopted by the Council of //Khara Hais Municipality on 30 June 2009 per reference nr.9.1B in terms of Section 3 of the MFMA, 2003 (Act No.56 of 2003). The SCM policy is implemented. The policy was reviewed; work shopped and was adopted by council during May 2013 there were no amendments made during the 2013/2014 financial year.

COMMITTEES
The Municipality has established the following bid committees:

Bid specifications committee
Director Community Services (Chairperson)
Director Electro Mechanical Services
Director Corporative Services
Chief Financial Officer
Manager Supply Chain Management

Bid evaluation committee
Manager Secretariat (Chairperson)
Senior Manager Town Planning and Building Control
Senior Accountant Finance and Asset Management
Manager Traffic Services
Senior Accountant Supply Chain Management

Bid adjudication committee
Director Corporative Services (Chairperson)
Director Community Development
Director Electro Mechanical Services
Chief Financial Officer
Manager Supply Chain Management
Senior Manager Strategic Operations

Any possible conflicts of interest are declared at all bid committee meetings, by means of a signed register.
During the 2013/2014 financial year, 49 tenders were advertised and 36 awarded.

IMPLEMENTATION OF MBD DOCUMENTS
All municipal bid documents (MBDs) are in place in compliance with MFMA Circular 25 and include specifications and evaluation criteria as recommended by the specification committee.

Challenges: Service providers not completing all municipal bid documents, and quoting not according to the specifications.

Proposed solution: Educate service providers on the importance of completion of municipal bid documents by holding workshops.

Challenges: Not enough suppliers on the database.

Proposed Solution: Advertise via Radio Riverside and other mediums outside Upington.

SUPPLIER DATABASE
The Municipality has developed and implemented a database of suppliers. Adverts are placed annually in the newspapers and on the website to invite suppliers to register on the municipal database. Service providers may however register on the database at any stage as there is no closing date for registration.

TRAINING With the implementation of the new centralised unit, workshops were organized for both SCM personnel as well all directorates.

T2.8.1

2.9 BY-LAWS

COMMENT ON BY-LAWS:

No new By-Laws were adopted by the Council during the period under review.

T2.9.1.1

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's/Entity's Website	**Yes/No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	18/03/2014
All current budget-related policies	Yes	
The previous annual report (2012/2013)	Yes	17/03/2014
The annual report (2013/2014) published/to be published	Yes	To be published
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2013/2014) and resulting scorecards	Yes	18/03/2014
All service delivery agreements (2013/2014)	Yes	Continuously
All long-term borrowing contracts (2013/2014)	Yes	14/04/2014
All supply chain management contracts above a prescribed value (give value) for 2013/2014	Yes	July 2013 – June 2014
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2013/2014	Yes	July 2013 – June 2014
Contracts agreed in 2013/2014 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2013/2014	No	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2013/2014	Yes	July 2013 – June 2014
		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

//Khara Hais Municipality maintains its website internally. All the information on the website is checked, verified and placed by the Municipality. This enables the Municipality to have a hands-on approach when it comes to its website.

Section 75 of Act 56 of 2003, the Municipal Finance Management Act, states that the accounting officer of a Municipality must place on the website referred to in section 21A of the Municipal Systems Act the following documents of the municipality. It states that a document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.

The website also served as an information tool for the following:

- Updated copies of the Municipality's publications
- The spatial development strategy of the Municipality
- Updated news on municipal events
- Service delivery initiatives on refuse removal, road maintenance, electricity supply and water supply
- Special service delivery projects like Operation Lungisa Konke – "*Fix it all*"
- Municipal events as they unfold

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

//Khara Hais Municipality has a functional and effective Client service/Customer Care Unit. The Unit comprises of a Supervisor, a Switchboard Operator and two Customer Care Officials.

The unit conducted Batho Pele trainings in 10 of the 14 Ward of //Khara Hais' for the 2013/2014 financial year. The purpose of these Batho Pele Trainings was to explain the 8 Batho Pele Principles which are central to service delivery. The Batho Pele principles are a set of core values which are identified by the 1997 White Paper to bring about Transformation to the Public Service.

The implementation of the 8 Batho Pele principles will enhance service delivery and improve public participation as clients are encouraged to expect value for money, and encourage greater accountability and transparency from the Public Sector.

Complaints management system
The Municipality has an electronic complaints system. The system enables the Client Service Unit to capture and refer complaints electronically.

The system also enables the unit to:

- To capture and to transfer complaints to the relevant departments.
- The system generates a unique reference number attached to each complaint.
- This reference number enables the client to trace the complaint and to know the progress.
- The system enables the unit to generate a report of the complaints which is tabled to council monthly.

Complaints register
The sections/Units of the municipality which do not have access to IMIS make use of the M44 to capture the complaints. The M44 form is also used when we conduct the Batho Pele meetings, when we go out on Service delivery days and during the Council meets the People program.

These registered complaints are then loaded on to the electronic system, which in turns generate the reference number and assign each complaint to the relevant section for completions.

The M47 form is used to test the satisfaction levels of our clientele. This is done by means of the Council meets the People program.

//Khara Hais Municipality also conducts monthly Community Radio feedback sessions, about the municipal services. A total of 12 such interviews were conducted in the 2013/204 financial year. The public is invited ti phone the studio to express their views. The programs allow the community to ask questions, and raise complaints on air to the councilor and officials in the studio.

The complaints that are aired over the radio are addressed by means of:

- A radio slot is dedicated to respond to them.
- Complaints that are sensitive in nature are given to the Client Service Unit for completion.

T2.11.1

COMMENT ON SATISFACTION LEVELS:

A survey will enable the Municipality to determine the satisfaction levels with regard to service delivery. This will further enable the municipality to implement corrective measures where necessary.

No survey was conducted during the 2013/2014 financial year because of budgets constraints. A survey will be done for the 2014/2015 financial year.

T2.11.2.2

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Electrical Services

The provision of electrical connection to new houses is a deliverable in terms of the IDP and the municipality completed a project for the connection of 881 houses during August 2013. Another project, for the connection of 849 houses was also started in July 2013 and is to be completed in August 2014. Funding was also dsecured during the year for a further 279 connections.

The constant upgrading of the electrical supply network is also essential and a project for the upgrading of the 11 kV networks, which was started in the 2012/13 financial year, was also completed in August 2013.

Civil Engineering

The performance of the municipality is measured against key performance objectives and indicators in the IDP and in this chapter an overview of the deliverables achieved in the delivery of basic services, local economic development, health, security and safety will be addressed.

Multi-year overviews will be given for basic services, such as water, waste water (sanitation), electricity, waste management, housing services and free basic services.

These overviews will include capital projects, service delivery levels, financial performance, performance against IDP objectives and information on staff critical to service delivery.

The municipality does not deliver any services through municipal entities.

T3.0.1

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Electricity Services

The increase in informal settlement put great pressure on the municipality and Eskom to provide electrical connections to the new households. Both service providers are relying on funding from the Integrated National Electrification Programme (INEP) of the National Department of Energy. This programme must make provision for electrification programmes countrywide and normally funding is limited. The funding is also only partial and the municipality must provide counter funding from the capital budget. At present the municipality and Eskom were able to keep up quite well with electrification and only the informal settlements which were proclaimed and populated in the last 2 years are without electrical services, but the backlog is continuously being addressed through several projects under construction. The municipality does not have an internal construction department and all large projects must be contracted to consulting engineers and contractors.

Civil Engineering

The continuous influx of people to the urban areas is putting severe pressure on the municipality's ability to provide services to an acceptable and sustainable standard. Backlogs in housing, water, sanitation and electricity services are growing with the growth in informal houses on non-serviced erven. Backlogs will be discussed in more detail in Chapter 5.

The municipality is the sole service provider for all basic services, except for electricity services, where some of the rural parts of the municipal area are within the Eskom licensed area of supply.

Several projects have been undertaken during the year to address backlogs and other needs for basic service delivery and will be dealt with in more detail during this chapter.

T3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

//Khara Hais Municipality provides water services to the town and surrounding rural areas, from the Abraham Holbors September Water Treatment Works (WTW) and 7 water package plants. The Upington Treatment Facility's daily production is at 42 ML/day, which is lower than the plant's design capacity of 80ML/day. The 7 rural water treatment facilities are the following with design capacities:

1. Lambrechtsdrif WTW, 12 kl/h
2. Karos WTW, 12 kl/h
3. Leerkrans WTW, 12 kl/h
4. Ntsikelelo WTW, 18 kl/h
5. Leseding WTW, 18 kl/h
6. Louisevale WTW, 12kl/h
7. Raaswater WTW, 74 kl/h

The main objectives of the Directorate Civil Engineering Services are:

1. Provision of sustainable clean water to all households, industry and business communities.
2. Maintain and upgrade water networks.
3. To maintain sustainability of water use for economic development.

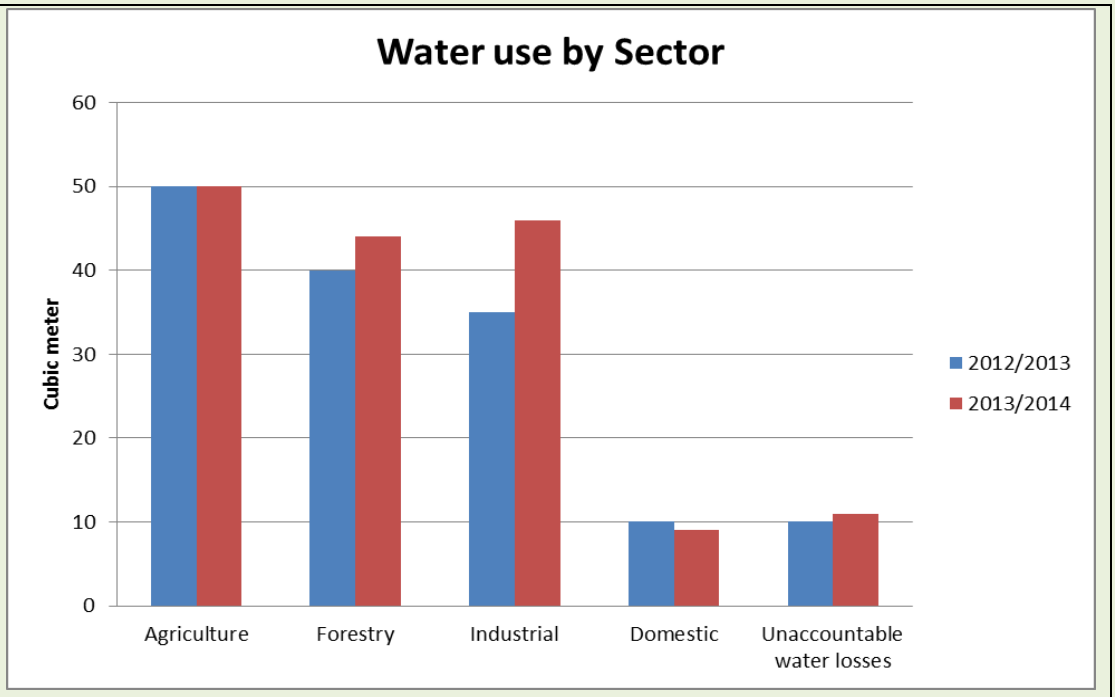
Main challenges:

1. The ability to provide water production balance from the Water Treatment works (WTW) by means of conventional and prepaid water meters throughout the town and the rural areas.
2. To speed up connection requests from the public and resolve pipe breakages.
3. With the deterioration of the water quality of the Orange River, more time and money is spent to treat the water to maintain water quality standards.
4. To sustain the functionality of an aging infrastructure.

T3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2012/2013	1095413	0	0	14974214	8313122
2013/2014	1062584	0	0	14693096	1337849

T3.1.2



T3.1.2.1

COMMENT ON WATER USE BY SECTOR:

//Khara Hais Municipality divide the water usage per annum in two sectors, namely:

1. Agriculture (Irrigation) and,
2. Domestic (Households and Industry)

Total use of water by sector:

2011/2012:
Irrigation: 1 796 448 m³/annum
Raw water for treatment: 23 999 172 m³/ annum

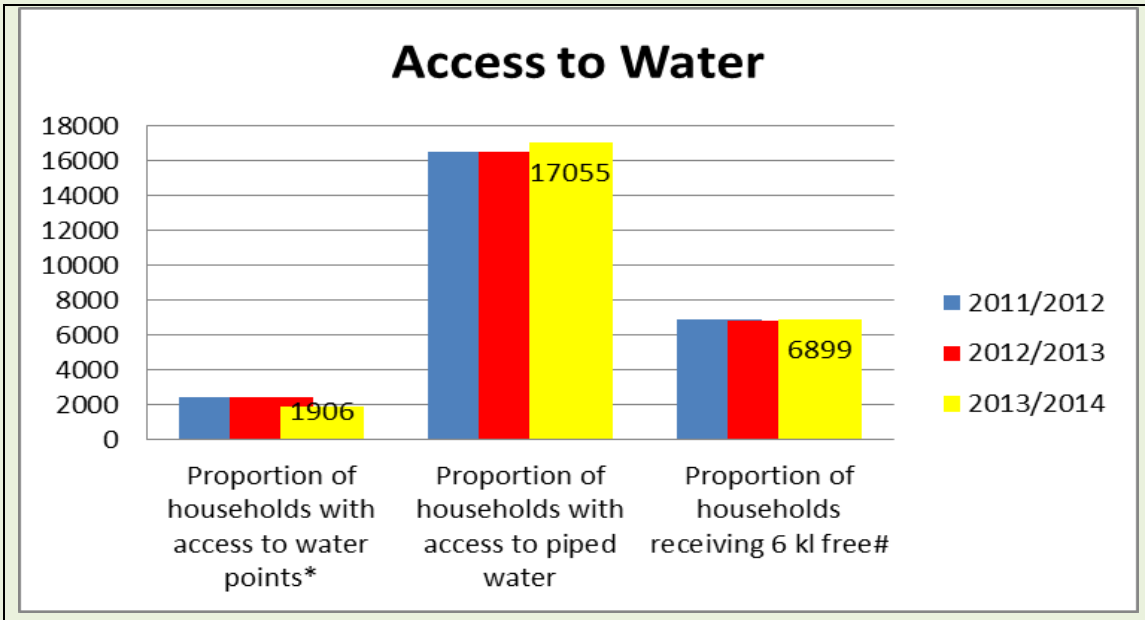
2012/2013
Irrigation: 1 095 413 m³/annum
Raw water for treatment: 14 104 113 m³/ annum

2013/2014
Irrigation: 1 062 584 m³/annum
Raw water for treatment: 14 974 214 m³/ annum

T3.1.2.2

Water Service Delivery Levels				Households
Description	2010/2011	2011/2012	2012/2013	2013/2014
	Actual No.	Actual No.	Actual No.	Actual No.
Water: **(above min level)**				
Piped water inside dwelling	12 146	12 146	12 146	12 143
Piped water inside yard (but not in dwelling)	4 359	4 389	4 389	4 939
Using public tap (within 200m from dwelling)	2 426	2 426	2 426	1 946
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	18 931	18 961	18 961	19 028
Minimum Service Level and Above Percentage	94%	94%	94%	94%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling				
No water supply		1 315	1 315	1 426
Below Minimum Service Level sub-total	1 315	1 315	1 315	1 315
Below Minimum Service Level Percentage	6%	6%	6%	6%
Total number of households*	**20 246**	**20 276**	**20 276**	**20 343**
*** - To include informal settlements**				T3.1.3

Households - Water Service Delivery Levels below the minimum						
						Households
Description	2010/2012	2011/2012	2012/2013	2013/2014		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households		20 246	20 246			20 757
Households below minimum service level		1 315	1 315			1 426
Proportion of households below minimum service level		6%	6%			7%
Informal Settlements						
Total households		1 054	1 054			1 051
Households ts below minimum service level		1 054	1 054			1 051
Proportion of households ts below minimum service level		100%	100%			100%
						T3.1.4



T3.1.5

Water Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2012/2013		2013/2014			2014/2015	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)		31 additional HHs (1315 HHs outstanding)			0 additional HHs (1426 HHs outstanding)	1282 additional HHs (2444 HHs outstanding)	1222 additional HHs (1222 HHs outstanding)	1222 additional HHs (0 HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (**Ints**) in supply of one hour or more compared to the baseline of 2012/2013 (xxx interuptions of one hour or more during the yr)	T0%	(8238Ints)	T1%	T1%	A1% (4922 Ints)	T2%	T5%	T5%
Improve water conservation	Reduce unaccountable water levels compared to the baseline of 2012/2013 (xxx kilolitres (**KLs**) unaccounted for during the yr)	T0% KLs	39% (5 683 599KLs)	T1% KLs	T1% KLs	43% (5 982 775KLs)	T2% KLs	T5% KLs	T5% KLs
									T3.1.6

Employees: Water Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	6	6	0	0%
10 - 12	18	18	16	0	0%
13 - 15	0	7	7	0	0%
16 - 18	15	15	8	7	47%
19 - 20	0	0	0	0	0%
Total	43	51	42	7	14%
					T3.1.7

Financial Performance 2013/14: Water Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**39 815**	**47 210**	**46 246**	**46 003**	**-1%**
Expenditure:					
Employees	(8 633)	(9 601)	(10 336)	(10 538)	2%
Repairs and Maintenance	(1 284)	(1 604)	(1 575)	(1 209)	-30%
Other	(29 651)	(39 842)	64 869	(15 258)	525%
Total Operational Expenditure	**(39 568)**	**(51 046)**	**(52 958)**	**(27 005)**	-96%
Net Operational (Deficit)	**247**	**(3 836)**	**(6 712)**	**18 998**	135%
					T3.1.8

Capital Expenditure 2013/14: Water Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	10 676	29 599	25 513	-16%	
Set up tanks algae-treatment & Filters waterworks	–	292	–	-100%	292
Bou van muur van maak van plot	–	288	–	-100%	288
Opgradering van Watersisteme	–	330	287	-15%	330
Rouwaterpomp by waterwerke	–	870	870	0%	870
Vervang Uitgediende Pompe	–	6	3	-99%	6
Vervang Uitgediende Pompe, Skakeltuig, Kleppe	–	4	3	-35%	4
A H September Water Treatment Works	10 076	11 001	2 031	-442%	24 777
Bou van kantoor by Waterverspreiding	–	91	–	-100%	91
Civil Services Infrastructure for CTHC Project	–	7 819	15 018	48%	15 018
Install Water Meters (Pab, R/Dale & L/W)	–	1 354	588	-130%	1 354
Provide water on occupied residential sites	300	125	121	-4%	125
Replace worn-out water pipelines	300	100	–	-100%	100
Water Connections (425 Erwe Paballelo)	–	5 980	4 613	-30%	5 980
Waternetwerke (Paballelo En Rosedale Plakkers)	–	1 341	101	-1229%	1 341
Ontwerp van siviele dienste vir Rosedale, Paballelo, Louisvaleweg & Dakotaweg	–	–	1 796	100%	1 796
Logger vir meet waterdrukke en vloeisnelhede	–	–	83	100%	83
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.1.9

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The IDP states to provide water on all stands on standard (yard connection) and this is a standing item on IDP and on the budget. This however is derailed annually because of the demand for housing and hence the number of informal settlements increases yearly.

T3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The //Khara Hais Municipality provides waste water services to the town of Upington at the Kameelmond Waste Water Treatment Works (WWTW). The Upington's treatment facility's daily treatment is at 14 ML/day Annual Dry Weather Flow (ADWF), which is lower than the plant's capacity of 16 ML/day. There is only 1 rural water treatment facility at Louisvale Road, which has a capacity of 0.2 ML/day ADWF. The surrounding settlements make use of either a VIP or a UDS toilet system.

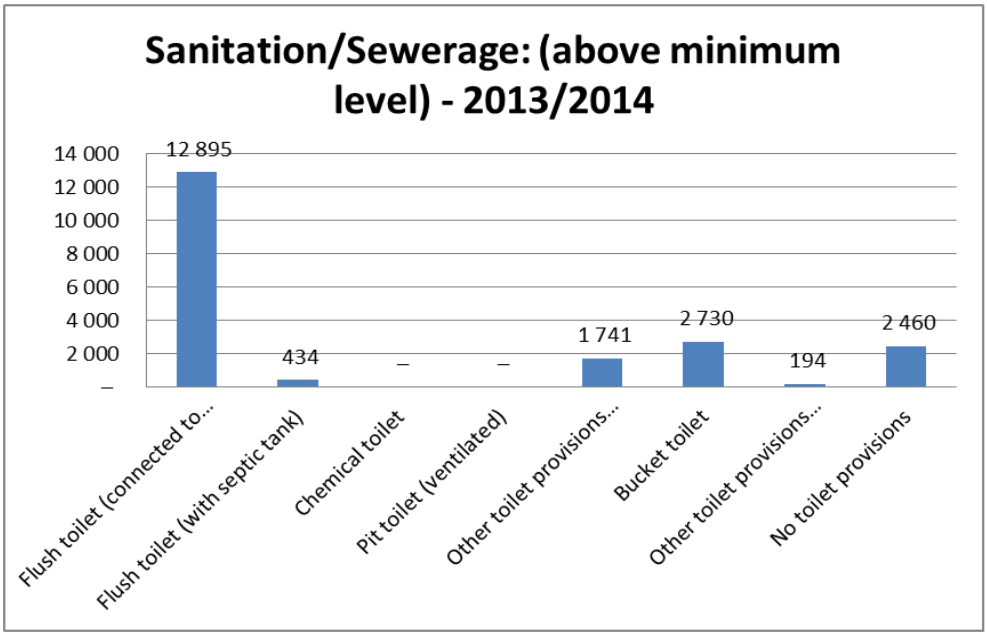
The main objectives of the Directorate Civil Engineering Services are:

- Treatment of sustainable clean waste water to the environments from all households and industries.
- Maintain and upgrade waste water networks.
- To maintain sustainability of waste water treatment for economic development.

Main challenges:

- The ability to treat waste water on a sustainable and energy efficient manner.
- To speed up connection requests from the public and resolve pipe breakages and blockages.
- With the deterioration of the influent quality, more time and money is spent to treat the waste water to acceptable standards.
- To sustain the functionality of an aging infrastructure.

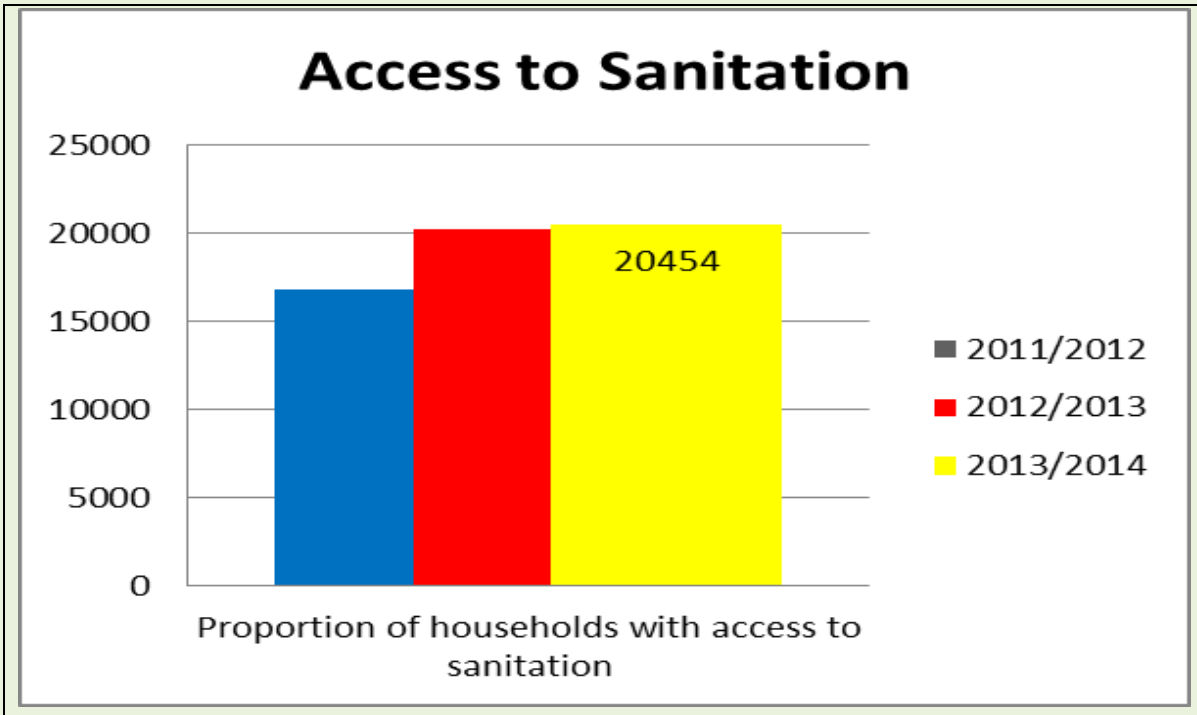
T3.2.1



T3.2.2

Sanitation Service Delivery Levels				
				*Households
Description	2010/2011	2011/2012	2012/2013	2013/2014
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	12 635	12 895	12 895	12 895
Flush toilet (with septic tank)	556	433	433	434
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	–	–	–	–
Other toilet provisions (above min.service level)	1 441	1 728	1 728	1 741
Minimum Service Level and Above sub-total	14 632	15 056	15 056	15 070
Minimum Service Level and Above Percentage	86.9%	74.4%	74.4%	73.7%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	1 688	2 722	2 722	2 730
Other toilet provisions (below min.service level)	151	168	168	194
No toilet provisions	366	2 300	2 300	2 460
Below Minimum Service Level sub-total	2 205	5 190	5 190	5 384
Below Minimum Service Level Percentage	13.1%	25.6%	25.6%	26.3%
Total households	**16 837**	**20 246**	**20 246**	**20 454**
Total number of households including informal settlements				T3.2.3

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	2010/2011	2011/2012	2012/2013	2013/2014		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	17 274	20 246	20 246			20 454
Households below minimum service level	2 054	5 190	5 190			5 384
Proportion of households below minimum service level	12%	26%	26%			26%
Informal Settlements						
Total households	380	1 054	1 054			1 051
Households ts below minimum service level	380	1 054	1 054			1 051
Proportion of households ts below minimum service level	100%	100%	100%			100%
						T3.2.4


Access to Sanitation
25000
20000
15000
10000
5000
0
20454
2011/2012
2012/2013
2013/2014
Proportion of households with access to sanitation

T3.2.5

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2014/2015	2015/2016	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of toilets within standard	Additional Households (**HHs**) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)		0 additional HHs (5190 HHs remaining)			0 additional HHs (7689 HHs remaining)	2059 additional HHs (5630 HHs remaining)	550 additional HHs (5080 HHs remaining)	550 additional HHs (4530 HHs remaining)
									T3.2.6

Employees: Sanitation Services					
Job Level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	0		0	0%
4 - 6	0	1	1	0	0%
7 - 9	0	0		0	0%
10 - 12	4	6	6	0	0%
13 - 15	0	0		0	0%
16 - 18	15	15	15	0	0%
19 - 20	0	0		0	0%
Total	20	22	22	0	0%
					T3.2.7

Financial Performance 2013/14: Sanitation Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**25 348**	**26 933**	**26 951**	**27 885**	**3%**
Expenditure:					
Employees	(9 378)	(9 713)	(10 757)	(10 917)	1%
Repairs and Maintenance	(570)	(1 200)	(1 190)	(738)	-61%
Other	(18 171)	(24 002)	(23 635)	(5 326)	-344%
Total Operational Expenditure	**(28 119)**	**(34 915)**	**(35 581)**	**(16 981)**	**-110%**
Operating Surplus / (Deficit)	**(2 771)**	**(7 983)**	**(8 630)**	**10 904**	**179%**
					T3.2.8

Capital Expenditure Year 2013/14: Sanitation Services					R' 000
Capital Projects	Year 2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	6 862	15 297	9 499	-61%	
Extension Of Louisvale Road Sewerage Works (Mig) (1155)	–	4 677	–	-100%	4 790
Vervang Uitgediende Pompe, Skakeltuig, Kleppe	–	252	234	-8%	252
Avelanche Fiets	–	3	3	0%	3
Vervang uitgediende meters	–	39	–	-100%	39
Enlarge main sewerage drainage line	6 862	9 366	9 247	-1%	9 725
Upgrade Main Sewerage Line (Dawid Street, Pab)	–	299	15	-1875%	343
Verlenging van Rioollyn - Myles Keidebees	–	55	–	-100%	55
Water- en Riooldienste - 81 erwe	–	607	–	-100%	607
					T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The projects are as follows:

1. Main sewer line between Paballelo and Rosedale.
2. Main sewer line between Rosedale and The Kameelmond Wastewater Treatment Works.
3. Upgrade the Louivale Road's Oxidation Ponds.

The 5 year targets set out in the IDP are to provide sanitation infrastructure to the formal settlements in urban and peri urban areas.

T3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

The municipal electrical services include the supply of electricity and the provision of area and street lighting. During the past year the electrification of houses of previously disadvantaged people and the upgrading of the electricity supply networks to make provision for growth, have been addressed.

The main objectives of the Sub Directorate Electrical Services are:

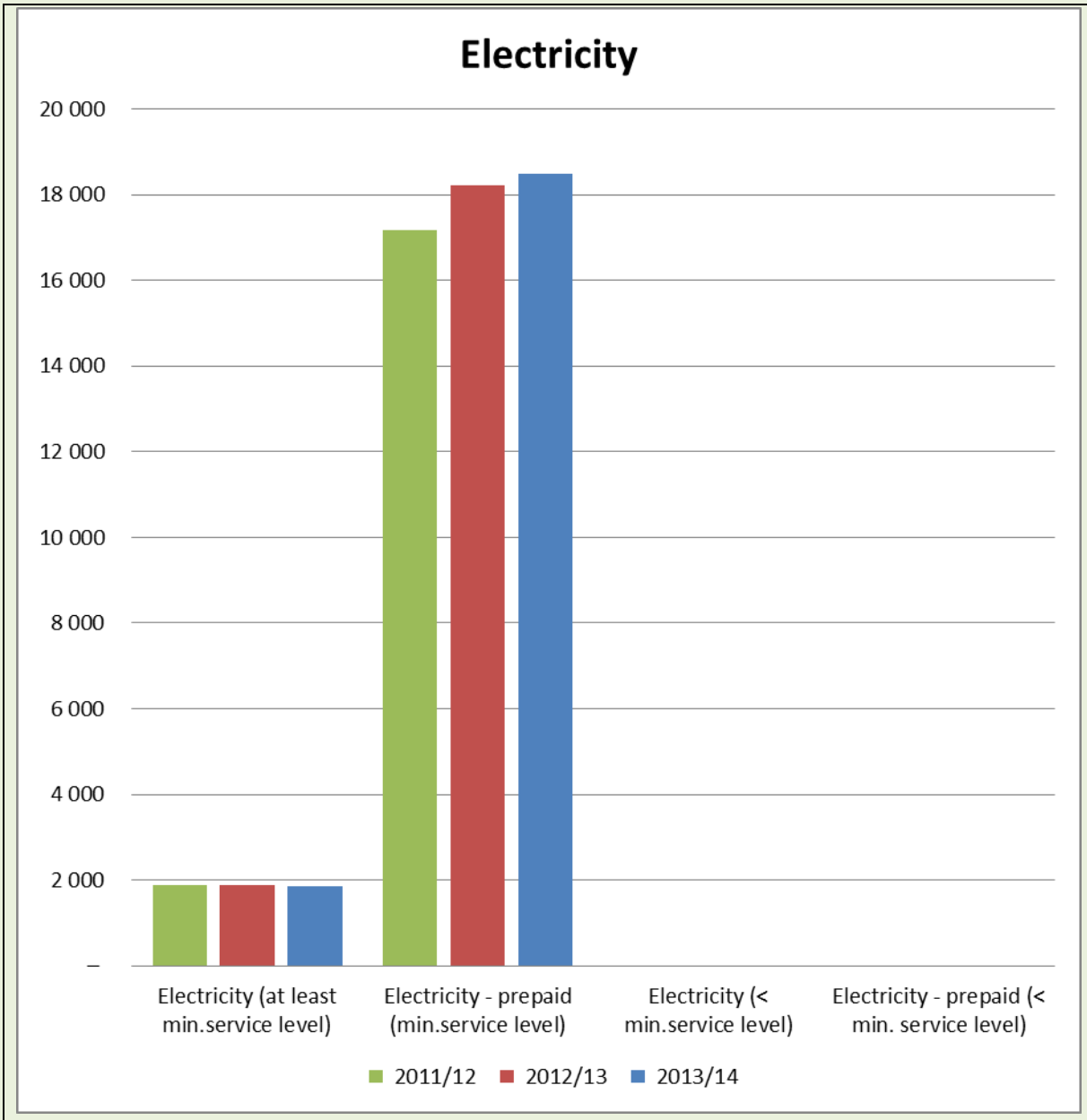
- To provide electricity to all customers in the municipal area of supply.
- To maintain and upgrade the networks to make provision for existing and new developments in the supply area.
- To provide street and area lighting to all existing and new areas.
- To provide an electrical support service to all other departments in the municipality.

The Sub-Directorate Electrical Services' staff consists of a team of dedicated skilled and semi-skilled people. Table 3.3.1 gives an overview of the staff levels and numbers. Challenges experienced during the year are the vacancies at senior level, e.g. the vacant posts of the Electrical Control Technician, the Senior Superintendent in the Metering Section and several artisan posts. The re-organization of the Directorate Infrastructure Development and the approval of a new organizational structure assisted in addressing the shortcomings in the staff establishment and the process of filling the vacancies is in progress. The Distribution Section has through the years trained several artisans and is continuing the artisan training for one person during the year.

The municipality has an ongoing electrification program to provide electricity to all households in the municipal area. For households in the municipal area of supply, funding is requested annually from the Integrated National Electrification Program (INEP). The municipality budgets for the counter funding to the INEP allocation and connect the number of houses for which funding was allocated each year. In the Eskom area of supply, annual surveys of un-electrified houses are conducted and the information is passed on to Eskom to include the houses in their rolling electrification program. The electrical networks, street- and area lighting, municipal buildings and installations are kept in a good condition through planned maintenance programs provide for in the operational budget. The operational budget of the Directorate is summarized in Table 3.3.3.

Capital projects ensure that existing and new areas are serviced and is planned annually through the IDP and budget processes. A summary of the main capital projects are given in Table 3.3.4

T3.3.1


Electricity
20 000
18 000
16 000
14 000
12 000
10 000
8 000
6 000
4 000
2 000
–
Electricity (at least min.service level)
Electricity - prepaid (min.service level)
Electricity (< min.service level)
Electricity - prepaid (< min. service level)
2011/12
2012/13
2013/14

T3.3.2

Electricity Service Delivery Levels						
Description	2010/11	2011/12	2012/13	2013/14		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Actual
Household (000)						
***Energy:* (above minimum level)**						
Electricity (at least min.service level)	1 988	1 886	1 886	1 850	1 850	1 848
Electricity - prepaid (min.service level)	16 685	17 181	18 220	19 330	19 330	18 483
Minimum Service Level and Above sub-total	18 673	19 067	20 106	21 180	21 180	20 331
Minimum Service Level and Above Percentage	93.9%	90.2%	93.0%	94.5%	94.5%	90.8%
***Energy:* (below minimum level)**						
Electricity (< min.service level)	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–
Other energy sources	1 215	2 075	1 518	1 221	1 221	2 071
Below Minimum Service Level sub-total	1 215	2 075	1 518	1 221	1 221	2 071
Below Minimum Service Level Percentage	6.11%	9.81%	7.02%	5.45%	5.45%	9.24%
Total number of households*	19 888	21 142	21 624	22 401	22 401	22 402
						T3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	2010/2011	2011/2012	2012/2013	2013/2014		
	Actual No	Actual No	Actual No	Original Budget No	Adjusted Budget No	Actual No
All Settlements						
Total households	**19 888**	**21 142**	**21 624**	**22 401**	**22 401**	**22 402**
Households below minimum service level	**0**	**0**	**0**	**0**	**0**	**0**
Proportion of households below minimum service level	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Informal Settlements						
Total households	**5 010**	**5 805**	**6 527**	**7 300**	**7 300**	**7 300**
Households ts below minimum service level	**0**	**0**	**0**	**0**	**0**	**0**
Proportion of households ts below minimum service level	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
						T3.3.4

Electricity Service Policy Objectives Taken From IDP						
Service Objectives	**Outline Service Targets**	**2012/2013**		**2013/2014**		**2014/15**
		Target	**Actual**	**Target**	**Actual**	**Target**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(viii)**
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year	881 additional HHs	13 additional HHs	845 additional HHs	870 additional HHs	1128 additional HHs
Table 3.3.5						

Employees: Electricity Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	8	8	7	0	0%
10 - 12	5	5	5	0	0%
13 - 15	8	8	7	0	0%
16 - 18	11	11	10	0	0%
19 - 20	0	0		0	0%
Total	35	35	33	0	0%
.					T3.3.6

Financial Performance 2013/14: Electricity Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**181 205**	**213 416**	**222 116**	**218 668**	**-2%**
Expenditure:					
Employees	(6 916)	(7 741)	(7 386)	(7 314)	-1%
Repairs and Maintenance	(2 206)	(1 932)	(1 678)	(1 287)	-30%
Other	(152 897)	(168 928)	(168 318)	(132 430)	-27%
Total Operational Expenditure	**(162 020)**	**(178 600)**	**(177 382)**	**(141 032)**	**-26%**
Operating Surplus	**19 186**	**34 816**	**44 734**	**77 636**	**42%**
					T3.3.7

Capital Expenditure 2013/14: Electricity Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	15 050	28 655	13 516	-112%	
11kV feeder from Charlie substation to CS2	–	313	167	-87%	313
Electrical Services for CTHC Development	–	8 328	129	-6368%	8 328
Electrification projects of new Developments. 125 Connections In Paballelo	–	285	133	-115%	285
Electrification projects of new Developments. 150 Connections in Rosedale (North)	–	1 382	1 366	-1%	1 382
Electrification projects of new Developments. 350 Connections in Rosedale (North)	2 649	1 752	783	-124%	1 752
Electrification projects of new Developments. 375 Connections In Paballelo	6 623	6 623	5 657	-17%	6 623
Electrification projects of new Developments. 324 Connections in Smartie Valley	5 722	5 722	3 803	-50%	5 722
Electrification projects of new developments. 475 Connection in Rosedale (South)	–	1 883	1 331	-41%	1 883
Elektriese dienste na 81 erwe (Upington 26 / MKMVA)	–	334	136	-145%	334
Equipment of monitoring of supply quality	–	350	–	-100%	350
Nuwe Vooruitbetaalmeters	28	28	4	-539%	28
Opgradeer van hooftoevoernetwerk	–	301	–	-100%	301
Upgrade main supply network connection to Delta	–	1 107	–	-100%	1 107
Upgrading of networks	–	220	6	-3320%	220
Vooruitbetaalmeters (Hulpbehoewendes)	28	28	–	-100%	28
					T3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

The priority of the four largest capital projects were the elctrification of houses and the improvement of the main supply network. The projects for the elctrification of house in Rosedale-North (150 Houses), Paballelo North (375 Houses and Smarties Valley (325 houses) are still in progress, but will be completed in August 2014. Delays due to slow delivery of material by suppliers and the unavailablity of construction machinery due to the large number of large capital projects, e.g. the solar power projects in the region, are the main reasons for not reaching the completioin date of the projects.

Deviations to the operational budget are due to savings programs to alleviate the financial position of the municipality. Maintenance projects were delayed due to the cutting back on planned overtime work and vacancies in critical positions. The illness and passing away of the Senior Distribution Superintendent and vacancies in artisan posts contributed to this.

With the filling of the Senior Distribution Superintendent post and the restructuring of the technical functions in February 2014, which allowed for the full time supervision of an Electrical Engineer at the Electrical Depot, plans were put in place and maintenace programs are normalised. The vacancies in artisan posts are in the process of filling.

Continuous attention was given to the loss of electrical revenue through a meter inspection program. This proved to be very successful ans a large number of illegal users of electricity was identified. The electricity loasses has reduced from 10,46% to 9,73% since the start of the program. This compares very good with the guideline of 12% set by the National Energy Regulator of South Africa (NERSA).

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Waste Disposal and waste management are in the same budget and not divided.

The Cleansing services operate under the Environmental Health Department which include waste management.

Due to the contents and nature of the training and experience of the health professionals, known as Environmental Health Officers, they are in an ideal position to make a major contribution towards promoting environmental management and sustainable development. It is not possible for the Environmental Health Officer to promote health when carrying out his/her normal duties, without at the same time, making a direct contribution towards promoting environmental awareness and the involvement of other disciplines.

Waste disposal are done on the Duine- and Leerkrans landfill sites and are upgraded as needed. Both landfill sites are permitted.

Due to the longer hours in trading street sweepers were switched to a six day work week and over time is worked on Sundays to ensure the town are kept clean.

A recycling firm will be appointed through a tender process and are in its beginning phase and no real results up to date can be mentioned.

Our focus was on the clean-up of illegal dumping, refuse removal from homes and clean streets. Twenty four temporarily general workers and one driver were employed. Three compactors were put on the budget for the next financial year to improve the rendering of refuse removal services and to improve the service in the rural areas up to the national standards.

Due to regular breakdown of vehicles, vehicles were hired in and made a big impact. The biggest challenge is the breakdown of vehicles.

All communities receive a refuse removal service.

Refuse from households are taken once a week and in rural areas every 14days due to the long distances and low generation of waste do not require a more frequent service presently. Refuse removal from businesses are done three times per week. Garden refuse are removed if placed in manageable containers.

Indigent households received special refuse removal without extra cost on request to prevent illegal dumping.

Clean-up campaigns using jobless people are monthly organized and work primarily in the residential areas. Jobless people are identified by councillors and do clean-up actions in areas identified by Health Practitioners. Approximately 85 people per month participate in these actions.

To ensure a well-educated community we visited filling stations; attended public events such as the Expo Skou, Kalahari festival etc. by means of Puppet shows regarding Littering and its impact. Interdepartmental initiatives with DWA (Department of Water Affairs) and the LED department held in September 2013, contributed

positively to a "Keep our River Clean", attitude to all participants in the event, where fishing, different sports were competed against, at the Eiland Resort.

Zibi Ostrich is also very active with regards to littering education. Contact through meetings had been organized with taxi owners to lessen littering from taxi users and stickers were handed out to taxis which are displayed on their bumpers and the inside of taxis.

In order to minimize the open spaces for the use of illegal dumping of refuse, the communities in the rural areas were involved in the greening of the open spaces and entrances of their townships. This action contribute positive to the green town competition. No litter signs are planted at identified, problem areas, as the need occur.

T3.4.1

Solid Waste Service Delivery Levels				
				Households
Description	2010/2011	2011/2012	2012/13	2013/14
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: **(Minimum level)**				
Removed at least once a week	19	19	14	18
Minimum Service Level and Above sub-total	19	19	14	18
Minimum Service Level and Above percentage	100.0%	100.0%	73.7%	85.6%
Solid Waste Removal: **(Below minimum level)**				
Removed less frequently than once a week			5	3
Using communal refuse dump				–
Using own refuse dump				–
Other rubbish disposal				–
No rubbish disposal				–
Below Minimum Service Level sub-total	–	–	5	3
Below Minimum Service Level percentage	0.0%	0.0%	26.3%	14.4%
Total number of households	**19**	**19**	**19**	**22**

T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
						Households
Description	2010/2011	2011/2012	2012/2013	2013/2014		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	19	19	14			12
Households below minimum service level	–	–	–			1
Proportion of households below minimum service level	0%	0%	0%			9%
Informal Settlements						
Total households	–	–	5			4
Households ts below minimum service level	–	–	–			1
Proportion of households ts below minimum service level			0%			36%
						T3.4.3

Waste Management Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2010/2011		2011/12		2012/13	
		Target	Actual	Target	Actual	Target	Actual
Service Objective xxx							
Cleanup actions with the focus on job creation	To ensure a clean environment and job creation	144 cleanup actions	139.00	144	179	48	178
	Enviroonmental health campaigns to minimise illegal dumping in residential areas	12	9	12	16	9	0 (Focus on other campaigns eg Zibi,)

Employees: Waste Disposal and Other Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	3	3	0	0%
10 - 12	7	11	11	0	0%
13 - 15	9	0	0	0	0%
16 - 18	11	75	69	0.9	1%
19 - 20	18	0	0	0	0%
Total	55	92	86	0.9	1%
					T3.4.6

Financial Performance 2013/14: Solid Waste Management Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**23 257**	**24 346**	**24 346**	**26 357**	**8%**
Expenditure:					
Employees	(12 956)	(13 980)	(13 913)	(13 502)	-3%
Repairs and Maintenance	(15)	(31)	(31)	(7)	-331%
Other	(14 722)	(15 458)	(15 353)	(6 179)	-148%
Total Operational Expenditure	**(27 693)**	**(29 469)**	**(29 297)**	**(19 689)**	**-49%**
Operating (Deficit) / Surplus	**(4 435)**	**(5 123)**	**(4 951)**	**6 668**	**174%**
					T3.4.7

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Our biggest challenge is the brake down of vehicles and the shortage of certain vehicles (e.g. the compactor at the refuse site). A recycling contractor will be appointed shortly and will hopefully help with access control at the refuse site. At present although the number of households are increasing, especially in the informal areas, we are capable to deliver a curb side removal service weekly in urban areas and every 14 days in rural areas.

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

Business plans have been drafted by the municipality in 2010/2011 for all areas which has been earmarked for housing delivery.

Business plans have been completed and approved by the Provincial Department of COGHSTA during 2011/2012.

Funding for the construction of 81 Rental Houses have been received from COGHSTA during 2012/2013.

Funding was also committed from COGHSTA for the implementation of the town planning phase of 6 467 houses during 2012/2013

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2010/2011	20057	13329	66.5%
2011/2012	20246	13337	65.9%
2012/2013	20511	13341	65.0%
2013/2014	20757	13346	64.3%
			T3.5.2

Housing Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2014/2015	2015/2016	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	81	81	1500	0	0	250	50	*900
									T3.5.3

Employees: Housing Services					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	4	4	4	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	11	11	0	0%
					T3.5.4

Financial Performance 2013/14: Housing Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**6 855**	**1 500**	**7 864**	**5 882**	**74%**
Expenditure:					
Employees	(3 503)	(3 366)	(3 523)	(3 512)	4%
Repairs and Maintenance	(1)	–	–	–	n/a
Other	(6 429)	(1 430)	(5 658)	(3 716)	62%
Total Operational Expenditure	**(9 933)**	**(4 796)**	**(9 181)**	**(7 228)**	**34%**
Operating (Deficit)	**(3 078)**	**(3 296)**	**(1 317)**	**(1 346)**	**-145%**
					T3.5.5

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

(2010/2011) No new projects have been approved by COGHSTA. Roll over funds were received from COGHSTA for the completion of the 915 housing project.
7.5

(2011/2012) Business plans has been approved, and finance for the services of 6467 sites were received from COGHSTA.

(2012/2013) 81 Rental Housing Project was approved and financed by COGHSTA. This project is complete.

(2013/2014) The construction of 250 BNG houses were approved and funded by COGHSTA, and construction will start as soon as the procurement process is complete in March 2014.

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

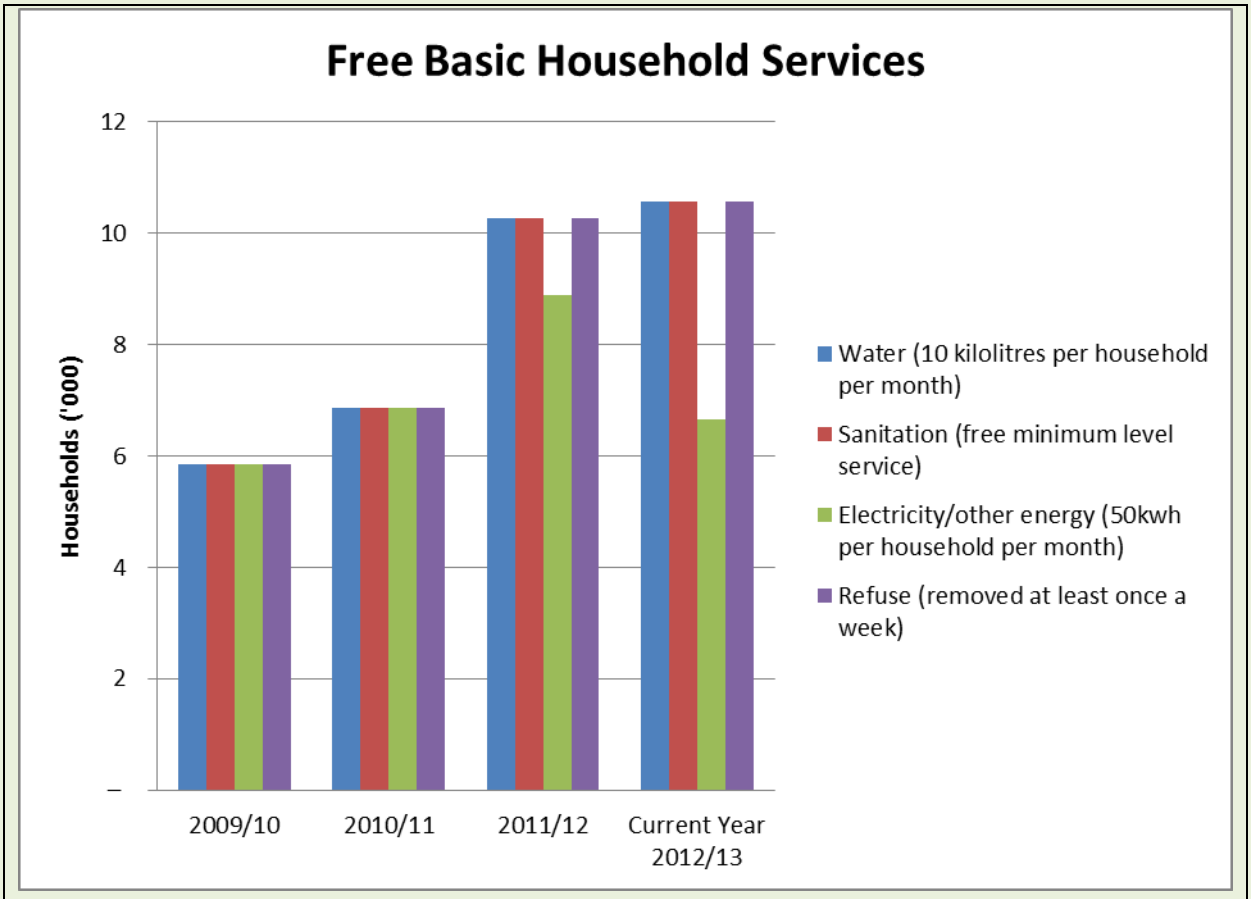
INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality has and Indigent Support Policy, the policy makes provision for low income and unemployed households who receive less than two times the government allowance paid to old age pensioners or disabled persons; as announced by the Minister of Finance in his annually budget speech. The following services are being subsidised be the Municipality, water (up to 10 kilolitres per month - the consumer should pay for all water usage in access of 10 kl); electricity (up to 50 kWh per month – the consumer should pay for all the consumption in access of 50 kWh), sewerage/sanitation; refuse removal and residential property rates. These services are being subsidised through the Equitable Share allocated to the Municipality annually by National Treasury in the Government Gazette. The current budgeted amount for indigent subsidy is R 25 273 902. First

time successful applicants for indigent subsidy's consumer accounts may be written off. Thereafter the consumer account should be paid in full.

T3.6.1

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than 2 x old age pension								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2011/12	23 245	10 621	10 621	46%	10 621	46%	6 868	30%	10 621	46%
2012/13	23 245	11 838	11 838	51%	11 838	51%	6 872	30%	11 838	51%
2013/14	23 245	12 360	12 360	53%	12 360	53%	6 893	30%	12 360	53%
										T3.6.3



T3.6.2

Financial Performance 2013/14: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2012/13	2013/14			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	–	–	–	–	n/a
Waste Water (Sanitation)	–	–	–	–	n/a
Electricity	–	–	–	–	n/a
Waste Management (Solid Waste)	–	–	–	–	n/a
Indigent Subsidy Totals	24 838	25 384	25 394	26 879	6%
Total	24 838	25 384	25 394	26 879	6%
					T3.6.4

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/13		2013/14			2014/15	2015/16	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective									
To provide Free Basic Services for the households with the low income, and to be able register those households as Indigent Household.	The number of households earning two times the government's pension grand per month, receiving Free Basic Services.	Number of Indigent Households (8,877)	Number of Indigent Households (11,838)	Number of Indigent Household (11,100)	Number of Indigent Household (11,100)	Number of Indigent Household (12,360)	Number of Indigent Household (11,100)	Number of Indigent Household (11,100)	Number of Indigent Household (11,100)
	The number of Indigent Households as a % of total households	39.00%	43,50%	39.00%	42.50%	41.74%	39.00%	39.00%	39.00%
	Updated Indigent Register-% indigent not updated /processed.	0.03%	<5%	0.03%	0.03%	<5%	0.03%	0.03%	0.03%
									T3.6.5

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Minicipality gives subsidy for free basic services to all registered indigent households who are unemployed and receive twice the government subsidy of R2 560.00 per month. The indigent register is being updated on a daily basis and the re-registration process is done annully in order to verify the status of the household. In the 2012/2013(11 838 Indigent Household) and 2013/2014 it increased to (12 360 Indigent household). The reason is that there has been a increase in consumers staying in the squarter camps for the 2013/2014 financial year.

The following Free Basic Services are being subsidised (excluding VAT):

Electricity (50kWh of electricity per month) – R 42.23
Water (10 kilolitres of Water per month) – R 98.07
Sewerage/Sanitation – R 79.42
Refuse Removal – R 81.12
Property Rates (residential) - total of amount levied

Refer to T3.6.3

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

The town of Upington forms a strategic link on the Namibia-Gauteng-Western Cape import and export route. Coupled with the proposed cargo hub, proposed high speed testing facility, proposed solar park and newly proposed Special Economic Zone (SEZ), road transport will be playing a crucial role in the future development of the //Khara Hais Municipality. However, a crucial gap exists at the moment in terms of the absence of a comprehensive and integrated transport plan which should be paving the way for a holistic transportation development approach. Such a plan could be an important high level strategic tool to improve existing and to develop future transportation media and infrastructure, and will be put in place in the near future.

Coupled with an integrated transportation plan is a Pavement Management System for the development, management and maintenance of road pavement infrastructure. Such a management system is not currently in place, but has been identified as a crucial planning and management instrument to be put in place in the near future. The municipality has developed a Road Infrastructure Management Policy in the 2013/2014 financial year and this policy will be forming the basis for road infrastructure maintenance management in the future.

Currently the main public transportation mode currently in use within the //Khara Hais municipal area, is minibus taxis. No passenger train or bus service is currently in use, primarily because the current numbers of commuters, who make use of public transportation, are still relatively small. It is possible that the number of commuters making use of public transport might increase should other modes of transport enter the market, which are safer, more reliable and offer higher levels of convenience. Future growth within the municipal area might also stimulate growth in the area of public transport and may demand other modes of transport to enter the market. However, detailed studies to this effect have not been carried out, but this has been identified as an area to be looked into in the near future.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The //Khara Hais Municipality provides safe, accessible roads to the town and surrounding rural areas. The total roads of Upington 335.2 km. where it is divided into the following:

1. Tarred Roads 193.8 km
2. Paved Roads 16.7 km
3. Gravel Roads 124.7 km

The main objectives of the Sub Directorate Civil Services are:

1. To keep roads safe and on national standards.
2. Maintain and upgrade road networks.

3. To have access to roads for economic development.

Main challenges:

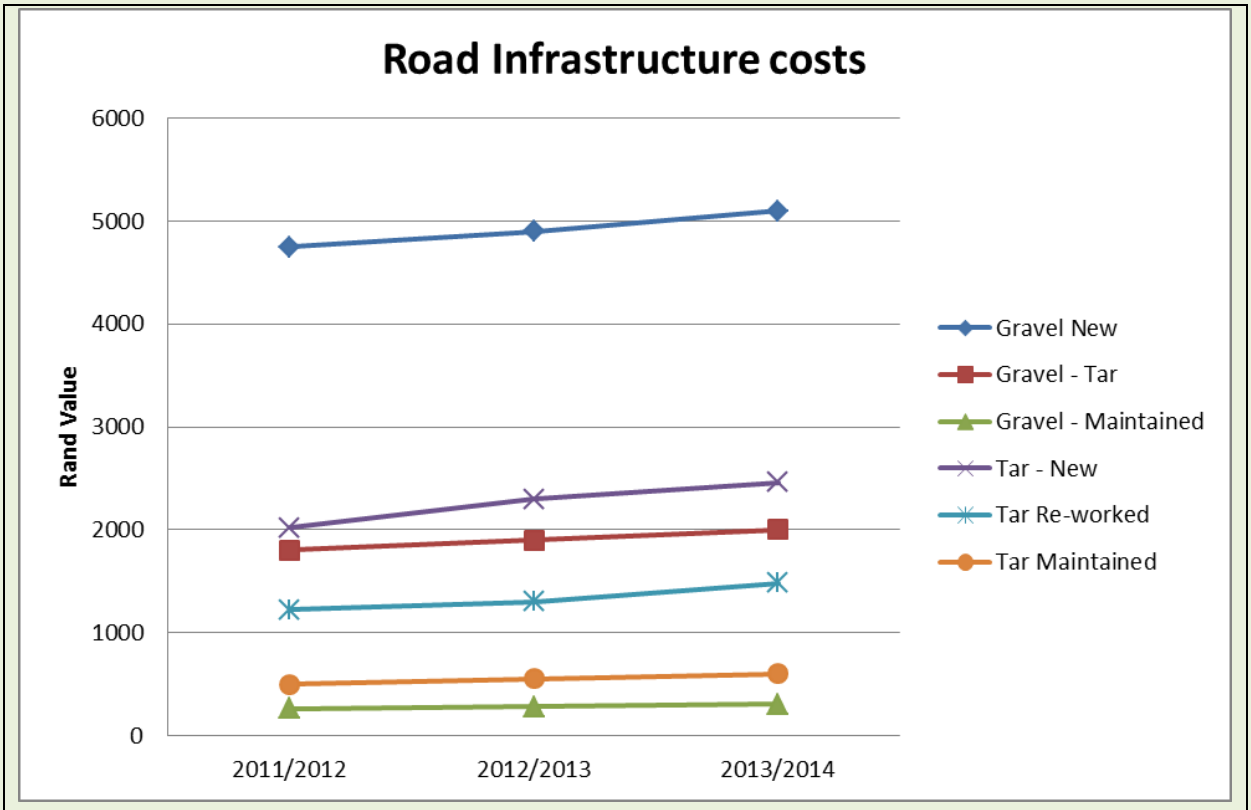
1. The ability to attract the required qualified personal.
2. To maintain the road surfaces (free of potholes and road crossings via a trench).
3. To provide new roads on an acceptable standard.

T3.7.1

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2011/2012	123	20	7	123
2012/2013	148	25	4	148
2013/2014	165	17	4	165
				T3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2011/2012	186	7	25	0	186
2012/2013	190	4	15	0	190
2013/2014	194	4	7	2	194
					T3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2011/2012	4750	1800	260	2020	1220	500
2012/2013	4900	1900	280	2300	1300	550
2013/2014	5100	2000	305	2460	1480	600
						T3.7.4


Road Infrastructure costs
Rand Value
6000
5000
4000
3000
2000
1000
0
2011/2012
2012/2013
2013/2014
Gravel New
Gravel - Tar
Gravel - Maintained
Tar - New
Tar Re-worked
Tar Maintained

T3.7.5

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2014/2015	2015/2016	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Elimination of gravel roads in townships	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)		4 kms gravel roads tarred (148 kms gravel roads remaining)			4 kms gravel roads tarred (165 kms gravel roads remaining)	Baseline (205 kms gravel roads remaining)	3 kms gravel roads tarred (225 kms gravel roads remaining)	3 kms gravel roads tarred (245 kms gravel roads remaining)
Development of municipal roads as required	30 kms of municipal roads developed		4 kms			4 kms			
									T3.7.6

Employees: Road Services					
Job Level	2012/2013	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	6	6	5	0.4	7%
13 - 15	1	16	16	0	0%
16 - 18	17	36	36	0	0%
19 - 20	0	0	0	0	0%
Total	26	60	59	0.4	1%
					T3.7.7

Financial Performance 2013/14: Road Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**168**	**221**	**171**	**206**	**17%**
Expenditure:					
Employees	(8 574)	(9 854)	(9 331)	(9 127)	-2%
Repairs and Maintenance	(566)	(941)	(865)	(615)	-41%
Other	(32 206)	(54 458)	(54 388)	(7 098)	-666%
Total Operational Expenditure	**(41 347)**	**(65 253)**	**(64 584)**	**(16 840)**	**-284%**
Operating (Deficit)	**(41 178)**	**(65 032)**	**(64 412)**	**(16 634)**	**-287%**
					T3.7.8

Capital Expenditure 2013/14: Road Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	17 892	43 498	20 729	-110%	
Office Equipment (MIG)	–	15	–	-100%	15
Connection road between Rosedale and Paballelo	14 271	23 735	17 789	-33%	23 735
Kalksloot Access Road (MIG)	–	1 504	946	-59%	1 504
Louisvale Dorp Access Road (MIG)	–	661	268	-146%	661
Paving Streets Paballelo (EPWP Project)	–	2 265	669	-239%	2 265
Plavei Van Toegangspad (Leseding)(MIG)	–	1 509	11	-14075%	1 509
Raaswater Access Road (MIG)	–	1 157	454	-155%	1 157
Resealing of street	–	838	–	-100%	838
Resealing of street (Phase 3)	–	6 000	5 236	-15%	6 000
Upgrade CBD storm water system	–	160	–	-100%	160
Bou van kantoor by Strate en Stormwater	–	16	(0)	31289%	16
Steenbreker	–	45	39	-15%	45
Airconditioner	–	14	6	-143%	14
Jackhammer	–	26	–	-100%	26
Mobiele Toilet	–	25	–	-100%	25
Plate Compactor	–	16	–	-100%	16
Improvement of Road Safety of Schröder Street	877	3 861	1 637	-136%	3 861
Paving of Streets and Upgrading of Storm Water in Smartie Valley - Rosedale	–	4 352	678	-541%	4 352
Second entrance to Paballelo	–	–	(9)	-100%	–
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The projects are as follows:

1. Resealing of Streets (Phase 3)
2. Paving of Streets in Paballelo (EPWP)
3. Paving of Streets in Smarties Valley Rosedale (EPWP)
4. Connection Road between Roasedale and Paballelo
5. Improvement of Road Safety of Schroder Street

The 5 year targets set out in the IDP are to provide safe and accessible roads to the formal settlements in urban and peri-urban areas.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

//Khara Hais Municipality does not operate a municipal bus service and therefor this section will not be completed.

T3.8.1

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORM WATER DRAINAGE

The //Khara Hais Municipality provides safe storm water networks within the town and surrounding rural areas.

The main objectives of the Directorate Civil Engineering Services are:

1. To keep storm water networks safe and clean on national standards.
2. Maintain and upgrade the networks
3. To implement the storm water mater plan and to continuously updating it

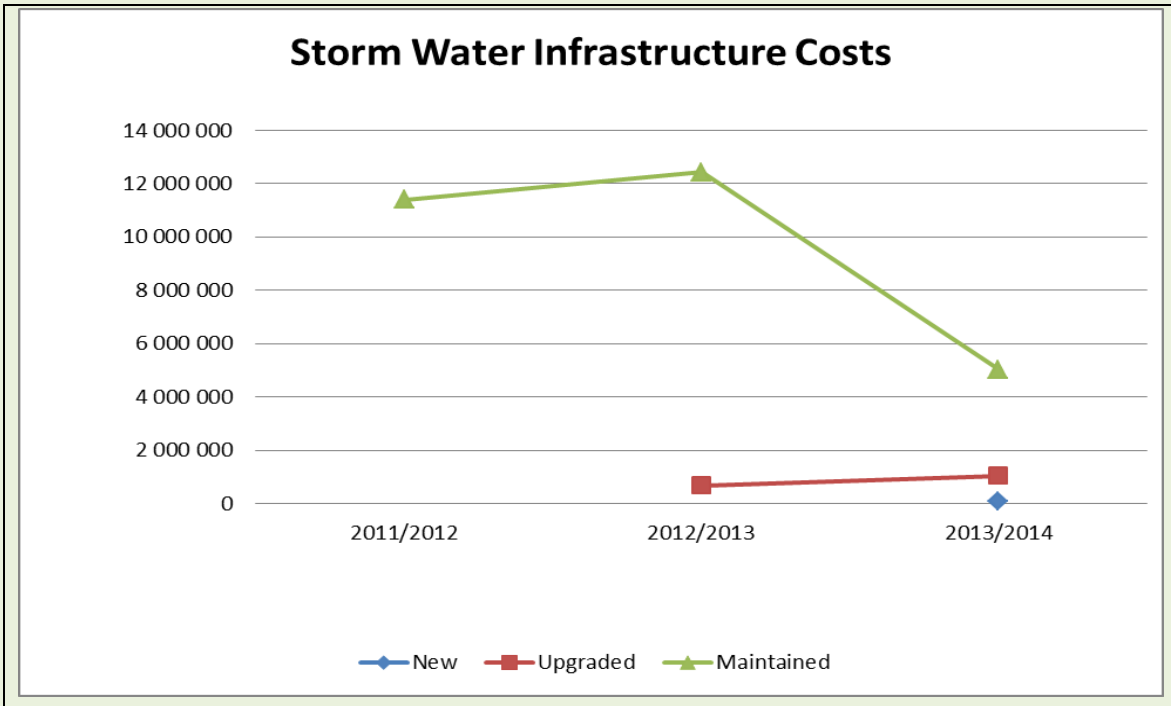
The main challenges are:

1. The ability to attract the required qualified personnel.
2. To maintain the storm water networks (Free from over growth).
3. Dealing with urban litter in storm water drainage channels and pipes
4. To provide new infrastructure on an acceptable standard according to the master plan.

T3.9.1

Storm Water Infrastructure Kilometers				
	Total Storm Water measures	New Storm Water measures	Storm Water measures upgraded	Storm Water measures maintained
2011/2012	N/A	N/A	N/A	N/A
2012/2013	N/A	N/A	N/A	N/A
2013/2014	N/A	1	1	N/A
				T3.9.2

Cost of Construction/Maintenance R' 000			
	Storm Water Measures		
	New	Upgraded	Maintained
2011/2012			11 388 485
2012/2013		690 000	12 422 586
2013/2014	70 000	1 046 000	5 024 140
			T3.9.3



T3.9.4

Employees: Storm Water Services					
Job Level	2012/2013	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	1	1	1	0	0%
16 - 18	22	22	22	0	0%
19 - 20	0	0	0	0	0%
Total	28	28	28	0	0%
					T3.9.6

COMMENT ON THE PERFORMANCE OF STORM WATER DRAINAGE OVERALL:

//The Khara Hais Municipality has a Storm Water Master Plan in place which was developed during the 2012/2013 financial year. During the 2013/2014 financial year certain storm water upgrades were implemented along Schroder Street as part of a broader project to improve road safety along Schroder Street, since it is the main entrance to the town of Upington from the Gauteng Province and carries high traffic volumes.

Currently the Master Plan are being implemented, but a lack of available funding is hampering the process as has been the case in the upgrade of the CBD storm water management system, which was put on ice due to a shortage of funding.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

//Khara Hais Municipality is currently experiencing interesting times with various challenges especially in respect of solar power developments planned for the area. Although a lot of uncertainties still exists with regard to the possible impacts and spin-offs associated with these types of developments, it is certain that there will be opportunities and challenges for the Municipality as well as the private sector.

The planning sector of //Khara Hais Municipality, through its Spatial Development Framework, which were approved in 2009 and reviewed and approved in September 2012, ensured that all of these proposed developments and initiatives are provided for in the future planning for the area. All of these aspects have also been included in the IDP for //Khara Hais Municipality.

Due to its remote location, Upington, as well as the rest of its area of jurisdiction, must find innovative ways to attract development and to create development opportunities. One of these mechanisms is to provide fast, efficient and professional planning and development services within the municipality. Both the planning and building control services provided by the municipality has been rated by institutions such as SALGA as the best in the Province, and in many instances the rest of the country as well. An example of this is the handling of land use planning applications within 8 weeks, the approval of building plans within 7 days, etc. These types of quality services provided to the public and potential developers, ensures that developers also include Upington and the //Khara Hais Municipal area in their list of possible development areas.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The main elements of the planning strategies for //Khara Hais Municipality includes amongst others,

1. The execution of planning and land use management according to a widely accepted and approved Spatial Development Framework which has been integrated with the goals and objectives set out in the Integrated Development Plan for //Khara Hais Municipality. Although the existing Spatial Development Framework for the municipality have been approved in 2009 it was necessary to update and amend it during the 2011/2012 financial year in order to provide for new trends and developments, such as the solar energy developments envisaged for the area, new areas earmarked for lower income housing, GAP housing etc. The Spatial Development Framework in its current approved format was workshopped and amended in order to ensure inclusivity and also to ensure that it takes all factors into account. It is a practical, working document which will be used by the local authority as well as developers to give guidance on future development trends and requirements and will also ensure stability for possible future developers and investors.

2. To make planning and land use rights more accessible to less fortunate communities and entrepreneurs trying to make a living in these areas. Although a lot of local authorities has very strict requirements with regard to the preparation and submission of land use right applications, such as applications for rezoning, consent use etc., only by professional planners (which has high cost implications) the planning section of //Khara Hais Municipality strives to bring these type of services closer to the communities and to make it as accessible as possible for them. Therefore we try to make our land use applications as easy as possible (without compromising on important planning requirements and principles) in order to ensure that people who cannot afford the services of a professional planner to obtain the necessary land use rights for their small enterprise, will still be able to do so.

3. To manage, and where necessary enforce land use rights and requirements in order to protect existing investments and people's rights to a safe and decent living and working environment, thus creating a stable and 'predictable' investment market. The enforcement of planning and land use requirements is very important to ensure that existing land use rights are protected and in order to ensure a safe and sustainable living environment. By protecting existing land use rights such as business rights within the Central Business District (CBD) for instances, the municipality also protects not only the investments made by the private sector, but also its revenue base. A huge challenge however in this regard lies with the enforcement of these requirements as, according to the Northern Cape Planning and Development Act, (Act 7 of 1998), the Municipality must take an offender to court and such an offender must be found guilty of an offence by the said court. In //Khara Hais Municipal area serious problems are experienced with the courts and the Department of Justice as in the previous 15 years to date, no conviction of an offender could be obtained from the local Magistrate courts. Despite various meetings, letters and visits to the prosecutors, judges etc., no cooperation in this regard could be reached.

4. The inclusion of sound and sustainable environmental planning principles and practices in all developments in order to protect and enhance the natural environment and elements for current and future generations. As required in the Constitution, everyone has a right to an environment which is not harmful to its health and general well-being; therefore no local authority can allow developments which do not conform to these principles. All planning applications and developments will therefore have to conform to the environmental principles and guidelines as included in the Spatial Development Framework as well as all environmental legislation. These requirements are strictly enforced by the planning section of this municipality.

5. The provision of economic opportunities within the municipal area through proper planning and land use management. Through innovative planning practices and principles such as the SDF and the IDP, the planning unit strives to create opportunities for SMME and local, previous disadvantaged communities to access the economic stream within //Khara Hais municipal area. These types of initiatives also go hand in hand with amended Council policies such as the policies dealing with the selling of municipal land etc.

The top 3 service delivery priorities for the Planning Section of //Khara Hais Municipality was to:

1. Provide for an all-inclusive Spatial Planning and Development Framework for //Khara Hais Municipal area which will create a development friendly environment without compromising on important principles such as environmental sustainability, sustainable provision of services and infrastructure, existing investments and land use rights and integration of communities and economic development opportunities. This have been achieved with the successful revision of the SDF and pilot projects such as the solar developments, shopping centre development, new district hospital, GAP housing development etc. which has all taken place within these guidelines and principles. The SDF is also a document and guideline which originated from an intensive public participation and consultation process which included previous disadvantaged communities, business sector, industrial sector, government departments etc.

2. To provide a highly professional and effective planning and building control service to the residents of //Khara Hais Municipality and developers from inside and outside the municipal area. As previously mentioned, one of the mechanisms used to ensure that developers also considers Upington and other towns within the municipal area, for future developments is the way in which they are treated when they apply for land use rights and/or building plan approval. //Khara Hais Municipality will challenge any municipality within South-Africa to prove that they are more efficient and professional with regard to the handling of land use right and building plan applications. In a survey done by Price Water House Coopers (annual performance reviews) it was clear that the planning and building control section of this municipality not only complies 100% with the prescribed requirements and timeframes set out in the applicable legislation, but usually completes these applications in half of time required. No comebacks have also been experienced up to date, which is a clear indication of the quality and standard of these services. SALGA has also requested officials from the planning section of //Khara Hais Municipality to make presentations to other local authorities within the province on best planning principles, which is an indication of the standard of services delivered in this regard.

T3.10.1

Applications for Land Use Development						
Detail	**Formalisation of Townships**		**Rezoning**		**Built Environment**	
	Year 2012/2013	**Year 2013/2014**	**Year 2012/2013**	**Year 2013/2014**	**Year 2012/2013**	**Year 2013/2014**
Applications Received	3	4	71	92	322	665
Determination made in year of receipt	3	4	79	96	322	665
Determination made in following year	1	0	4		0	0
Applications withdrawn	0	0	1	2	0	0
Applications outstanding at year end	0	0	0	0	0	0
						T3.10.2

Planning Policy Objectives taken from Service Delivery Budget Implementation Plan									
Service Objectives	**Service Targets**	**Year 2010/2011**		**Year 2011/2012**			**Year 2012/2013**	**Year 2013/2014**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
(i)	**(ii)**	**Previous Year (iii)**	**(iv)**	**Previous Year (v)**	**Current Year (vi)**	**(vii)**	**Current Year (viii)**	**Current Year (ix)**	**Following Year (x)**
Maintenance of IT system-Operational	Number of updates within 7 days	100%	100%	100%	100%	100%	100%	100%	100%
Town Planning applications processed within time frames	Number of applications processed within set timeframe of 60 days	100%	100%	100%	100%	100%	100%	100%	100%
Building inspections completed within prescribed timeframes	Number of inspections done within 48 hours	100%	100%	100%	100%	100%	100%	100%	100%
Conduct follow-up on illegal buildings	Actions taken within 7 days	100%	100%	100%	100%	100%	100%	100%	100%
Conduct follow-up on Land Use transgressions	Action taken within 7 days	100%	100%	100%	100%	100%	100%	100%	100%
Building plan applications processed within prescribed time	Applications processed within set timeframe of 14 days	100%	100%	100%	100%	100%	100%	100%	100%
Human Resource establishment	Monthly Section meetings or functions	100%	100%	100%	100%	100%	100%	100%	100%
									T3.10.3

Employees: Planning Services					
Job Level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	2	3	2	0.4	13%
4 - 6	7	7	7	0	0%
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	11	12	11	0.4	3%
					T3.10.4

Financial Performance 2013/14: Planning Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**727**	**1 182**	**3 226**	**4 377**	**26%**
Expenditure:					
Employees	(5 742)	(6 511)	(6 250)	(6 159)	-1%
Repairs and Maintenance	(2)	(4)	(5)	(3)	-98%
Other	(1 054)	(1 028)	(952)	(572)	-66%
Total Operational Expenditure	**(6 797)**	**(7 543)**	**(7 206)**	**(6 734)**	**-7%**
Operating (Deficit)	**(6 069)**	**(6 361)**	**(3 980)**	**(2 357)**	**-69%**
					T3.10.5

Capital Expenditure 2013/14: Planning Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	–	1	100%	
WD Element 500GB USB	–	–	1	100%	1
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

Physical Planning within //Khara Hais Municipal area is handled by two professional town planners with more than 40 years planning experience between them. Physical planning is done in accordance with clear and generally accepted spatial planning and IDP goals and objectives. Filtering down from this is an up to date land use planning system which is constantly updated in order to ensure that the goals and objectives set in the IDP and SDF are met. The fact that SALGA has made use of the planning section of //Khara Hais Municipality to explain best planning practices to the rest of the municipalities in the province serves as proof of the quality and standard of planning services provided by the planning section of //Khara Hais Municipality.

Capital Projects:
According to the MFMA, low cost housing development and associated services such as planning and surveying is not a municipal function (with regard to financing of the projects) and therefore no capital projects in this regard could be provided for, as no housing projects has been approved by Province during the past year. No reporting in this regard can therefore be included in this report. No other township establishment projects have been undertaken during the past year.

T3.10.7

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVLOPMENT

Municipalities have a Constitutional Mandate to promote Local Economic Development (LED). Section 153 of the Constitution of the Republic of South Africa, 1996 states that:

"*A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.*"

Economic development can be defined as an "*activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs*".

The Development Priority 8: Economic Growth and Job Creation (KPA 3: Local Economic Development) according to the IDP of //Khara Hais Municipality the development objective(s) must:

- Promote the development of tourist infrastructure that will enhance tourism
- Create an environment that promotes the development of a diversified and sustainable economy.

Development objectives for //Khara Hais Municipality, as identified in the LED Strategy, seek to address poverty and unemployment and economic development.

The LED and Investment Plan forms part of the Municipality's overall strategic plan, as outlined in the IDP, in seeking to promote viabe local economic activitities that benefit the local population.

Measures taken to improve performance by local businesses in this financial year included:-

- Annual training for SMME'S and HDI's
- Facilitate meetings with businesses to get input from them and to provide information
- Annual //Khara Hais Business Week as information platform (did not take place due to other commitments of stakeholders and the financial situatution of the municipality).

T3.11.1

Economic Activity by Sector	
	R'000
Sector	**(2013 -2014)**
Agriculture, forestry and fishing	0-100
Mining and quarrying	0- 200
Manufacturing	0-100
Wholesale and retail trade	0-150
Finance, property, etc. (Business services)	0-200
Government, community and social services	0-110
Infrastructure services (Construction)	0-10
Total	

- Above information obtained from //Khara Hais LED & Incentive Plan, 2010 on page 25, Section 3.
- Review of //Khara Hais LED & Incentive Plan will take place in 2015

T3.11.2

Economic Activity by Sector	
	Jobs
Sector	**2013– 2014**
Agric, forestry and fishing	2853
Mining and quarying	157
Manufacturing	165
Wholesale and retail trade	3500
Finance, property, etc (Business services)	472
Govt, community and social services	2251
Infrastructure services (Construction)	833
Total	10231

- Above information obtained from //Khara Hais LED & Incentive Plan, 2010 on page 26, Section 3.
- Review of //Khara Hais LED & Incentive Plan will take place in 2015.
- Information provided is the same as 2012/2013 Annual Report. No new statistics are available but the section LED, Tourism & Resort will amend the statistics on the population and other relevant formation.

T3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The biggest constraint/problem/issues in terms of the development of //Khara Hais Municipality include a shortage of job opportunities and job creation in the area.

Job creation can only be obtained through the involvement of key role-players from civil society, government, labour and business in the area. Relationship between these players must be investigated and the possibility for fostering partnerships must be looked into.

The main local economic objectives for //Khara Hais Municipality can therefore be divided into four thrusts namely:

Agricultural beneficiation and value chain development

According to the ZF Mgcawu District Municipality's IDP, agriculture compromises grape production, which is mainly exported to Europe, as well as livestock and game farming.

According to the Standard Industrial Classification, the agriculture sector includes such activities as the growing of crops and farming of animals. These projects comprises of the Siyabonga Vegetable Garden and Upcoming commercial farmers.

Other agricultural activities include:
SAD Vine Fruit Pty (Ltd) is located in Upington and owns the largest dried vine fruit processing and packaging plant in South Africa, employing more than 350 persons. It has intakes at Groblershoop, Mylpaal, Louisvaleweg, Keimoes, Kakamas and Vredendal. (OABS, 2012)

The Orange River Wine Cellars Co-op, also based in Upington, is the second largest winemaking Co-operative in the world and has wine cellars at Groblershoop, Grootdrink, Upington, Keimoes and Kakamas. This co-op has more than 740 members who produce wine grapes and 445 farmers who produce grape juice. (OABS, 2012)

Other sub-sectors of the agriculture sector include commercial hunting, game propagation and fishing which take part mainly in the district and well in the Kalahari.

Short term prospects include farmer support, training and service development.

SMME and Community Business Support

Due to the financial constraints of the municipality, the section made use of intergovernmental programmes to render skills training during the financial year. Co-operative governance means that the two spheres of government worked together (co-operate) to provide citizens with a comprehensive package of services (governance). Development initiatives included SMME and entrepreneurial development & support as well as skills development.

//Khara Hais Municipality must strive to provide skills required by the local economy. Training and support provided during this financial year include:

- Journey to Service Excellence (J2SE) (27 November 2013 – 26 Junie 2014)
- Mme Re Ka Thusa Fund Women Economic Summit (17 – 19 September 2013)
- Route Development Workshop (18-19 Julie 2013)
- Power of One Workshop (4 November2013)

T3.11.4

Jobs created during 2013/2014 by LED initiatives (Excluding EPWP Projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost / displaced by other initiatives No.	Net total Jobs created in Year No.	Method of Validating Jobs created / lost
BAK 59112	93	0	93	
BAK 59113	50	0	50	
BAK 59114	49	0	49	
MIG 1160	366	0	366	
MIG 1221 (Development of Parks)	497	0	497	
MIG 1220 (Development of sports grounds)	218	0	218	
MIG 1166	141	0	141	
MIG 833	539	0	539	
MIG 834	0	0	0	
MIG 835	279	0	279	
MIG 836	150	0	150	
Total (all initiatives)	**2382**	**0**	**2382**	

3.11.5

Jobs created Municipal projects		
Details	**Municipal Projects No.**	**Jobs created through Municipal Projects No.**
2013/2014	BAK 59569	4
	Padherstelprogram (Phase 3)	113
	Optelspanne in verskeie wyke (Environmental Health)	179
Total No of Jobs		**296**

Jobs created Municipal projects		
Details	**Municipal Projects No.**	**Jobs created through Municipal Projects No.**
2013/2014	BAK 59569	4
	Padherstelprogram (Phase 3)	113
	Optelspanne in verskeie wyke (Environmental Health)	179
Total No of Jobs		**296**

Local Economic Development Policy Objectives Taken from IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2013/2014	2014 -2015	
		Target	Actual	Target		Actual	Target		
Service indicators		Previous Year		Previous Year	Current Year		Current Year	Current Year	Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service objective 1.3: Capacity building within the community regarding tourism and business									
Launch of J2SE (Nov 2013)		180	182	182	190	239	240	250	250
J2SE Workshops (Nov 2013 – Feb 2014)					25	7			
J2SE Roundtable Discussion (15 March 2014)					25	19			
J2SE Leadership Workshop (26 June 2014)					25	17			
Total:		**180**	**182**	**182**	**280**	**297**			
									T3.11.7

Employees: Local Economic Development Services					
Job Level	2012/2013	2013/2014			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	2	1	1	0	0%
4 - 6	5	3	3	0	0%
7 - 9	0	2	2	0	0%
10 - 12	0	1	1	0	0%
13 - 15	0	0	]	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	0	0%
					T3.11.8

Financial Performance 2013/14: Local Economic Development Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**961**	**1 130**	**859**	**858**	**0%**
Expenditure:					
Employees	(8 225)	(6 315)	(9 329)	(9 185)	-2%
Repairs and Maintenance	(6)	(8)	(9)	(7)	-18%
Other	862	(2 311)	(69)	(1 611)	96%
Total Operational Expenditure	**(7 369)**	**(8 634)**	**(9 407)**	**(10 803)**	**13%**
Operating (Deficit)	**(6 408)**	**(7 504)**	**(8 548)**	**(9 945)**	**14%**
					T3.11.9

Capital Expenditure 2013/14: Economic Development Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	510	20	-2403%	
Upgrade of Long Distance Taxi Rank	–	510	20	-2403%	510
					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Northern Cape Provincial Growth and Development Strategy 2004 – 2014 (NCPGDS) has the following vision for the Province:

"*Building a prosperous, sustainable growing provincial economy to reduce poverty and improve social development.*"

The local municipality and business are working together in order to enhance local economic development (LED). Local communities and the municipality must play an active role in determining their own economic paths. LED involves identifying and using local resources to create opportunities for economic growth and employment. Successful LED depends on local partnerships as well as on national and regional structures to promote and support local initiatives.

Through the participation and inclusion of all stakeholders, the political will, interest and communication is stimulated, which when combined, contribute to a positive and successful local economy.

The LED Strategy and Tourism Plan of //Khara Hais Municipality must be utilised to the fullest to promote and train our community to respond to our competitive environment. The focus must be on the obtaining of funds for SMME's as well as specific training for local needs.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Libraries

//Khara Hais Library Service provides a library service to the town and the rural areas surrounding the town of Upington.

//Khara Hais Library Service consists of 3 (three) libraries namely Main Library, Forum - and Paballelo library.

The depots that service the rural areas are managed by the Regional Library in Upington.

The main objectives of the Library Service are:

•To create a culture of reading
•To improve the library service to the communities in the rural areas
•To improve the literacy level of communities
•To improve the library facilities available to the communities

Community Facilities (Halls)

The Municipality has twelve community Facilities (halls) which are leased/rented out at the relevant approved tariff for various events/functions (e.g. church services, weddings, birthday party etc.).

Applications are also received on a continuous basis for the free use of various activities. Municipality also makes the halls, in the community, available for grant pay-outs.

The Councillors also make use of the community halls for community and ward committee meetings. Some of the abovementioned had a financial impact on the Municipality, because of vandalism. Bookings are coordinated according to dairies, as well as the Event Management module on the electronic document management system, IMIS.

Archives (Registry)
The Section Registry processes all incoming correspondence from the Community in the Postal Register, which are then indexed on the electronic Document Management System.

All Transfer documentation of erven is kept safely in the Registry.

All payments received through the postal system are handled in a Remittance Register.

Filing is done on a daily basis by two dedicated officials.

T3.52.0

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Libraries

Library Services is an unfunded mandate, therefore, //Khara Hais Municipality don't budget for capital projects for //Khara Hais Library Services.

//Khara Hais Library Services communicates on a regular basis with other National and Provincial Departments and organizations to get information to enhance a better service delivery to students and learners.

//Khara Hais Library Service assists the depot libraries that are under the management of the Regional Library, to enable a better service to their rural communities.

Community Facilities (Halls)

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Archives (Registry)

The section renders a records management, reprographical and messenger service to Council.

The records management function is articulated according to the National Archives and Records Service of South Africa Act (Act 43 of 1996). A approved filing plan from National Archives are being used.

A reprographical and duplication service is rendered for the Municipality in general as well as a messenger service for delivery of documents.

T3.52.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

LIBRARIES

7 158 items of material were issued at Paballelo library
11 030 items of material were issued at Forum library
48 597 items of material were issued at the main library
Four outreach programmes were executed in the period July 2012 until June 2013

Community Facilities (Halls)

COMMUNITY FACILITIES (HALLS)

The halls have been used for the following event in 2013/2014 book year for community meeting; ward committee meeting, wedding, church services, SASSA grant payment and other event.

HALL	WARD	Number of Bookings
Piet Thole	Ward 1	341
ND Swartz	Ward 1	159
Tol Speelman	Ward 3	207
Moses Links	Ward 5	128
Michael Bongela	Ward 7	154
J Shimane	Ward 7	100
Babbelbekkies	Ward 10	80
Kalksloot	Ward 11	27
Raaswater	Ward 12	33
Lambrechtdrift	Ward 14	20
Karos	Ward 14	16
Leerkrans	Ward 14	27
Total		1292

The Section Property & Council Building Administration is in process with Department Public Works for the installation of paving at the Michael Bongela, Piet Thole and Moses Links Halls.

The process for the renovating of all halls is still in process with assistance from the Department of Public Works.

Archives

About 4,000 documents were handled by the section through postage mail, electronic mail and faxes as well as hand deliveries for the 2013/2014 financial year.

T3.52.2

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2014/2015	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Funds for the programs and capital to meet the main objectives, were provided by the Northern Cape Library Services (not linked to the IDP)									
									T3.52.3

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	2012/2013	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	5	5	4	1	20%
7 - 9	6	10	10	0	0%
10 - 12	14	17	17	0.4	2%
13 - 15	12	9	9	0	0%
16 - 18	41	41	38	1.3	3%
19 - 20	0	0	0	0	0%
Total	78	82	78	2.7	3%
					T3.52.4

Financial Performance 2013/14: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**600**	**1 096**	**1 359**	**750**	**-81%**
Expenditure:					
Employees	(3 608)	(3 710)	(4 316)	(3 999)	-8%
Repairs and Maintenance	(31)	(42)	(41)	(17)	-139%
Other	(505)	(1 499)	(1 018)	(345)	-195%
Total Operational Expenditure	**(4 144)**	**(5 251)**	**(5 376)**	**(4 362)**	**-23%**
Operating (Deficit)	**(3 544)**	**(4 155)**	**(4 017)**	**(3 611)**	**-11%**
					T3.52.5

Capital Expenditure 2013/14: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	276	547	1	-41472%	
4 Draw Filing Cabinet	–	3	–	-100%	2 800
Blinds (Forum)	–	21	–	-100%	20 658
Chairs	–	0	–	-100%	158
Copy Maschine	–	36	–	-100%	36 000
Curtains (Forum Library)	–	7	–	-100%	7 000
Display Case (Paballelo)	–	3	–	-100%	3 000
Display Shelve for Magazines (Forum)	–	2	–	-100%	2 378
Electrical Work at Forum Library	–	110	–	-100%	110 000
File Cabinets	–	4	–	-100%	4 000
File Cabinets	–	2	–	-100%	2 058
Guillotine	–	1	–	-100%	800
Improve Containers libraries	–	80	–	-100%	80 000
Laminators	–	1	–	-100%	1 200
Open Shelf	–	2	–	-100%	1 970
Open Shelf	–	8	–	-100%	7 880
School Desk (Rosedale)	–	0	–	-100%	368
Scool Desk (Rosedale)	–	3	–	-100%	2 576
Study Tables	–	1	–	-100%	579
Home Theatre	–	–	1	100%	-
Unallocated Assets (Library Grant)	276	263	–	-100%	263 206
					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Libraries

//Khara Hais Library Services don't have any capital projects that was funded by the municipality.

The only capital that was spent by //Khara Hais Library Services was funded through the grant received from the Northern Cape Library Services.

Community Facilities

The leasing of halls is done in accordance with the approved tariffs as per Council resolutions. We are in the process of looking into the upgrading of the Tol Speelman Hall to a better quality.

T3.52.7

3.55 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The municipality has eleven cemeteries in respective neighbourhoods. Four of these cemeteries are situated in the urban areas and the remainder are located in the rural areas. The parks and recreation department is also responsible for the management and maintenance of cemeteries. The maintenance includes cleaning of terrain, removal of excess soil after burials, pruning of trees and mowing of grass where applicable. Other services rendered by this department include, the issuing of grave plots and provision of jackhammers and compressors to indigent households. The municipality also provides free grave plots, firewood and tents to indigent households as a form of assistance to the bereaved families who are registered as indigent.

T3.55.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

For the cycle 2013/2014 a total 1 067 burials were made municipal cemeteries.

T3.55.2

Cemetery Policy Objectives Taken From IDP									
Service Objectives / Service Indicators (i)	Outline Service Target (ii)	Year 2012/2013		Year 2013/2014			Year 2015/2016	Year 2016/2017	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Extension of existing cemeteries		100%	100%	100%	100%	0%			
Establishment of cemeteries		100%	100%	100%	100%	0%			
Fencing of cemeteries		100%	100%	100%	100%	0%			
									T3.55.3

Employees: Cemeteries and Crematoriums					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	0	0	0	0%
7 - 9	2	2	3	0	0%
10 - 12	4	4	2	0	0%
13 - 15	2	0	0	0	0%
16 - 18	21	21	18	0	0%
19 - 20	0	0	0	0	0%
Total	30	27	23	0	0%
					T3.55.4

Financial Performance 2013/14: Cemeteries and Crematoriums					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**194**	**195**	**125**	**180**	**31%**
Expenditure:					
Employees	(2 724)	(2 953)	(3 271)	(3 224)	-1%
Repairs and Maintenance	(13)	(26)	(26)	(3)	-783%
Other	(1 259)	(491)	(688)	(366)	-88%
Total Operational Expenditure	**(3 996)**	**(3 470)**	**(3 985)**	**(3 593)**	**-11%**
Operating (Deficit)	**(3 801)**	**(3 275)**	**(3 860)**	**(3 413)**	**-13%**
					T3.55.5

Capital Expenditure 2013/14: Cemeteries and Crematoriums					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	330	–	–	n/a	
Extension of Cemetry at Paballelo	330	–	–	n/a	1 083
					T3.55.6

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

No projects were executed by the cemetery sub-section of the municipality in the previous financial year.

T3.55.7

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The //Khara Hais Municipality has special projects. The special projects are informed by the Children's Act, 2005 (Act 38 of 2005) and the Older Person's Act, 2006 (Act 13 of 2006).

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

TYPE OF PROGRAMME	YEAR	TYPE OF ASSISTANCE	TOTAL
CHILD CARE	2013/2014	NONE	0
AGE	2013/2014	NONE	0
SOCIAL PROGRAMES	2013/2014	INDIGENT GRAVE/FUNERAL HELP	526
EDUCATION ASSISTANCE	2013/2014	NONE	0

T3.56.2

Employees: Child Care; Aged Care; Social Programmes					
Job Level	2012/13	2013/2014			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	4	4	4	1.5	38%
10 - 12	7	7	7	1	14%
13 - 15	4	4	4	2.2	55%
16 - 18	2	2	2	0.9	45%
19 - 20	0	0	0	1	
Total	21	21	21	7.1	34%

T3.56.4

Financial Performance 2013/14: Child Care; Aged Care; Social Programmes					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	–	–	–	–	n/a
Expenditure:					
Employees	–	–	–	–	n/a
Repairs and Maintenance	–	–	–	–	n/a
Other	–	–	–	–	n/a
Total Operational Expenditure	–	–	–	–	n/a
Operating Surplus	–	–	–	–	n/a
.					T3.56.5

Capital Expenditure 2013/14: Child Care; Aged Care; Social Programmes					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	–	–	n/a	
None	–	–	–	n/a	0
					T3.56.6

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

In terms of Child care and Aged care with regards to Special programs, for this financial year there was no financial aid to school children due to budgetary constraints. There were only visits or programs which the Mayor had with youngsters at Marcus Mbetha Secure Care Centre, juveniles at Upington Correctional Centre and talks with some elderly persons at service centers. The elderly, which were indigent and who passed away can benefit from the indigent burial graves.

T3.56.7

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The function is currently residing at the District Municipality, who is the designated licensing authority, issuing licenses to premises or industries. The //Khara Hais Municipality has however a monitoring function in this regard. Pollution control forms part Environmental Health, in the absence of a section dedicated to Pollution control, solely. ZF McGawu District Municipality remains responsible for the enforcement of Pollution Control.

T3.59.0

3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Pollution Control form part of Environmental Health and there is no separate section for pollution control. Environmental Pollution consists of:

1. Dirty or unsightly conditions

a) Accumulation of refuse, debris, including glass, paper, rags, tins, trash, ash and coal.
b) Overgrown weeds and long grass, existence of thicket, shrub or any poisonous plants.
c) Accumulation of wreck, chassis, engine or other part of a motor vehicle which is unsightly and may pose a health nuisance.
d) Offensive smells from any activity on premises.
e) Stagnant water and dumping or littering of waste on premises.
f) Breeding of flies or mosquitoes.
g) Harbourage of rodents or other vermin on the premises.

2. Littering, dumping and burning of waste

a) Dumping, throwing or littering of waste, including rubbish, glass, tins, paper, car wrecks or parts of motor vehicles, dead animals, waste water or flushing water or other litter or waste, whether liquid or solid, on or in a street, road, bridge, thoroughfare, open space, vacant stand, public place or any watercourse.
b) Burning or permitting of burning of any waste material, including tyres, rubbish, garden refuse, paper or other material on any premises in such a way as to create a health nuisance or health hazard.

3. Emission of ash, grit and soot from chimneys on premises

Emission of offensive, smoke, ash, grit or soot from any burning activities of the premises, either from chimneys or other material or objects in such a way as to be offensive, injurious or hazardous to health.

4. **Drain, pipes and sewerage blockages and leakages**
   Any drain, sewage pipe blockages on a residential premises or public open spaces, overflowing to the streets and polluting the environment, surface water or the watercourse.

5. **Pollution by oil spillages**
   Any activity on any premises, resulting in oil spillages on the ground which is likely to result in the pollution of the soil, surface and ground water.

T3.59.1

SERVICE STATISTICS FOR POLLUTION CONTROL

Inform the community via pamphlets and radio talks, door to door campaigns, regarding alternative measures to be taken such as the boiling of water, the adding of a disinfectant like bleach when water do not comply with safety standards. With regards to the 2013/14 financial year, 19 failures occurred in terms of safe drinking water. When these failures occur, the community are alerted immediately as to the said precautionary measures.

Approximately 157 notices were served with regards to illegal dumping.

Air pollution
Service delivery priorities:
At local level our function is only to observe and monitor air pollution and also react on complains from the community if a nuisance occur in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for further investigations and where necessary, legal steps deemed. The District Municipality, ZF McGawu, is also the licensing authority in terms of premises or industries, requiring licences for their respective activities.

The impact:
Air pollution in general has a detrimental effect on the inhalation system of the body which can cause sinusitis or even lung disorders if exposed over long periods.

Measures taken to improve:
If a nuisance occurs in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for them to withdrawn the licence of the premise if applicable.

Environmental pollution:
Service delivery priorities:

- Waste removal from households is done once every week and from the business sectors twice every week.
- Daily observations for illegal dumping and handling of refuse complaints.
- Delivering of black plastic bags every three months to all the households in the jurisdiction to minimize illegal dumping.

The impact:
Environmental pollution causes economical restrains for the tax payers and illegal dumping leads to unhygienic conditions.

Measures taken to improve:
Complaints about illegal dumping which could not be traced to a specific person are rectified every Friday by the Refuse Removal Section. If a person, responsible for the illegal dumping could be identified, a notice is given which grants him/her five working days to rectify the problem otherwise it will be done by the refuse removal services at cost to the polluter.

T3.59.2

Employees: Pollution Control					
Job Level	2012/2013	2013/2014			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%
					T3.59.4

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The function is handled by the ZF McGawu District Municipality and all matters are referred to them.

T3.59.7

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

International experience has shown that biodiversity conservation is a prerequisite for sustainable development, and that for biodiversity conservation to succeed, the maintenance of environmental integrity (as defined by ecological, economic and social criteria) must be one of the primary determinants of bioregional delimitation and land-use planning. This view has, during the past decade, evolved into a planning and management approach generally known as bioregional planning, which is increasingly being employed as a management system by, amongst others, United Nations Environmental Program (UNEP) and the World Resource Institute (WRI) to promote sustainable development practices world-wide.

Bioregional planning is defined as 'planning and land management that promote sustainable development by recognising the need for a balanced relationship between environmental integrity, human well-being and economic efficiency, and to give effect and recognition thereto, within a specific geographical area, the boundaries of which were determined in accordance with environmental and social criteria' (Manual for Bioregional Planning in the Western Cape, PGWC 2003). In practical terms, bioregional planning refers to the 'matching' of human settlement and land use patterns with the parameters of ecological systems, and the planning, design and development of the human-made environment within these parameters in a manner that ensures environmental sustainability.

The above definitions imply that the relationship between the three imperatives for sustainable development, namely environmental integrity, human-well-being and economic efficiency should be recognised in a balanced and integrated manner in the context of a specific place, and never as stand-alone issues in general terms. In this regard, bioregional planning implies an integrative concept, one that amalgamates the learning and perspectives of several similar concepts, such as ecosystem management and biosphere reserve planning. It is '*an organised process that enables people to work together, think carefully about the potential and problems of their region, set goals and objectives, define activities, implement projects, take actions agreed upon by the communities, evaluate progress and refine their approach*'.

Bioregional planning requires a value shift away from the sectoral nature of institutions (i.e. where environmental issues are dealt with by environmentalists, economic issues by economists, and social issues by social scientists), to an all-embracing approach where the sustainable development challenge is addressed in an integrated and holistic manner. Bioregional planning is designed to maximise the likelihood that protected area systems will collectively sample biodiversity. It is a flexible decision support framework for assessing the best resolution to resolve inter-sectoral conflicts over the use of land and sea, and it provides guidance regarding integrative local government planning and community group projects.

Bioregional planning provides an essential tool in bridging the divide between conservation and development tension. The application of this approach strengthens the planner's ability to incorporate sustainable development practices in the planning process. Bioregional planning is furthermore characterised by the following (Miller, 1996):

a) Adaptive management: Bioregional programs are operated on an experimental basis, from which lessons may be drawn from experience to respond appropriately
b) Biotic viability: Bioregional management programs embrace regions large enough to include the habitats and ecosystem functions and processes needed to make biotic communities and populations ecologically viable in the long-term. These regions must be able to accommodate migratory patterns, anticipate nature's time cycles and absorb the impacts of global change.

c) Co-operative skills development: Communities and public and private organisations, together, must locate and mobilise the skills, knowledge, and information needed to manage the area.
d) Economic sustainability: The maintenance of livelihoods and the economic wellbeing of people living and working within the bioregion, including those in industry, and especially in the matrix, must be encouraged.
e) Full involvement of stakeholders: All parties who can affect or benefit from the resources in the region should be fully involved in planning and managing the bioregional program. Of primary importance in this regard, is building the local capacity to participate in, negotiate, and perform the various tasks involved.
f) Institutional integration: Alliances between institutions are to be forged to close gaps, minimise overlap and make management and investment in the region more efficient.
g) International co-operation: Because some ecosystems cross international boundaries and, in some cases, extend globally along animal migration routes or along venues where endangered species are traded, international co-operation agreements for debate, and mechanisms for joint research, information management and investments must be part of the biodiversity management program. The MAB Program is particularly suited to this purpose.
h) Leadership and management: The leadership to establish bioregional programs may come from public agencies, or from the community of residents and resource users. The tasks of convening stakeholders, preparing and negotiating vision statements, and planning and implementing agreed-upon activities can be shared co-operatively between public and private entities, or be fully community based.
i) Reliable and comprehensive information: All stakeholders must have at their disposal the critical information needed to facilitate biodiversity management. GIS technology is to be used to help stakeholders envision their region and its distinctive features clearly. GIS will help them to model options and scenarios for the future. This bioregional information system (BIS) program assembles a comprehensive and ecosystem-level GIS consisting of biophysical, social, economic, and cultural databases.
j) Research and monitoring: Research and inquiries should focus on people-environment interactions, the development of innovative methods for managing natural resources, and the long-term monitoring of environmental factors and the impact of management practices.
k) Restoration: Where the viability of some habitats or ecological functions has been impaired upon through excessive or inappropriate use, these areas are to be rehabilitated.
l) Social acceptance: Any proposals for changes in the way of life and livelihoods of the residents and local peoples, including indigenous communities, need to be acceptable to them. All stakeholders warrant the opportunity to participate in program management and implementation.
m) Structure of interrelated cores, corridors and matrices: These programs include core nature areas that feature representative samples of the region's characteristic biodiversity. Ideally such sites, which may already be designated as protected areas, should be linked by corridors of natural or restored natural plant cover to permit migration and adaptation to global change. Both the core sites and corridors should be nested within a matrix of mixed land uses and ownership patterns.
n) Use of knowledge: Scientific, local and traditional knowledge should be employed in planning and management activities. Biology, anthropology, economics, engineering and other related fields are to be tapped. Such knowledge helps stakeholders and program managers to anticipate nature's long and short cycles and to track global change.

CREATING A FRAMEWORK FOR BIOREGIONAL PLANNING

The Global Biodiversity Strategy puts forward fundamental objectives and supporting actions to establish a framework for bioregional planning and management. These objectives strive to achieve the following:

a) Create institutional conditions to promote bioregional planning Bioregional planning and management has clear ecological, economic and social advantages.

To achieve the above objective, the IUCN38 proposed the following actions:

(i) Develop new methods and mechanisms at bioregional level for participation in the planning process and for the resolution of conflicts.
(ii) Give all communities the means to 'have a say' in the management and distribution of the region's resources.
(iii) Establish inter-sectoral and inter-agency task forces to facilitate bioregional planning.

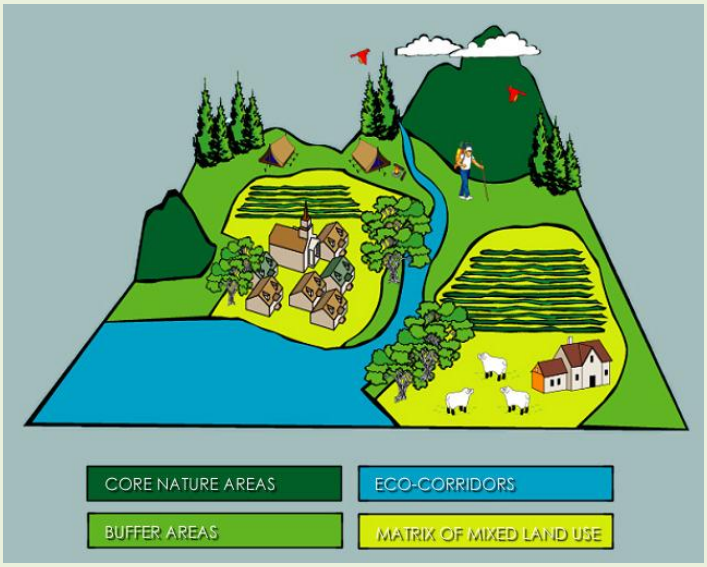
b) Incorporate biodiversity into the management of all biological resources.
The mix of species in an ecosystem enables that system both to provide a flow of ecosystem services under given environmental conditions, and to maintain that flow if environmental conditions change. The loss of biodiversity therefore limits the resilience of the affected ecosystem, which in turn, may have direct negative economic implications.

c) Support bioregional conservation initiatives in the private sector
The bioregional planning approach requires that conservation on private land becomes an integral part of the strategy. This, in turn, requires that forward planning must be done on a holistic bioregional basis. Environmental health is the key to sustainable development. The primary threat to environmental health is fragmentation of community-supporting ecosystems. Fragmentation generally leads to a cycle of environmental degradation, which subsequently influences the well-being of the dependent communities.

LAND-USE CLASSIFICATION APPROACH

A fundamental phase of bioregional planning is to undertake appropriate land-use classification for the planning area in accordance with a classification system that is based upon a structure of interrelated cores, corridors and matrices. It was, subsequently directed by //Khara Hais Municipality that UNESCO's biosphere reserve designation model be adopted as a basis for such land-use classification.

In terms of this model, the classification system is to include core nature areas that feature representative samples of the region's characteristic biodiversity. Ideally such sites, which may already be designated as protected areas, should be linked by corridors of natural or restored natural plant cover to permit migration and adaptation to global change. Both the core sites and corridors should be nested within a matrix of mixed land uses and ownership patterns. The figure below illustrates the practical implementation of the land-use classification system adopted for //Khara Hais.



SPATIAL PLANNING CATEGORIES: A MECHANISM FOR LAND-USE CLASSIFICATION

In order to apply the biosphere reserve designation principles in //Khara Hais, a set of Spatial Planning Categories (SPCs) was developed. These SPCs are generally consistent with UNESCO's MaB Program and include all land zonings that are provided for under the existing Zoning Scheme Regulations.

A total of six SPCs has been provided for (refer to the table on the following page). In addition, a number of Sub-Categories have been created for the purpose of refining the designation process.

CATEGORY DESCRIPTION CLASSIFICATION CRITERIA & PURPOSE

Category A Designated Core

Conservation Area

a) Areas of high conservation importance to be protected from development.
b) Generally only non-consumptive land-uses39 allowed conditionally.

Category B Buffer Area

a) Areas that serve as a buffer between Category A and Category C areas.
b) Providing an appropriate interim classification for conservation worthy areas that do not have statutory protection, including ecological corridors and areas worthy of rehabilitation.
c) Appropriate sustainable development and non-consumptive landuses may be allowed conditionally.

Category C Agricultural areas

Rural areas where extensive and intensive agriculture is practiced.

Category D Urban-related areas

Areas accommodating a broad spectrum of urban-related development and associated services and infrastructure.

Category E Industrial areas

Areas accommodating industrial activities and associated infrastructure and where very high intensity of human activity and consumptive land use occur.

Category F Surface infrastructure and buildings

All surface infrastructure and buildings not catered for in the above categories, including roads, railway lines, power lines, communication structures, etc.

MUNICIPAL MANAGEMENT IN TERMS OF BIOREGIONAL PRINCIPLES

From the perspective of promoting sustainable development and biodiversity conservation through integrating development and conservation, it is especially important for //Khara Hais Municipality to consider municipal planning and management in the context of the integrative relationship between ecological processes and the needs and perceptions of local communities. This integrative relationship is referred to as bioregional management in the Global Biodiversity Strategy (WRI, 1992).

To successfully implement bioregional management, the following challenges need to be addressed (Miller, 1996):

- Create the capacity to manage complex and integrated programs.
- Involve stakeholders in a meaningful manner.
- Develop and link established institutions, or if needed, create new ones.
- A list of bioregional management guidelines that has been adopted by the Municipality is provided in Volume 3 of the approved Spatial Development Framework.

T3.60.1

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

This function is not performed by this municipality.

T3.62.0

3.62 CLINICS

INTRODUCTION TO CLINICS

This function is not performed by this municipality.

T3.62.1

Employees: Clinics					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	4	2	2	0	0%
7 - 9	2	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	3	3	3	0	0%
19 - 20	0	0	0	0	0%
Total	9	6	6	0	0%
					T3.62.4

Financial Performance 2013/14: Clinics					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**1 326**	**1 275**	**1 233**	**1 195**	**-3%**
Expenditure:					
Employees	(1 240)	(1 237)	(1 160)	(1 160)	0%
Repairs and Maintenance	(5)	(26)	(26)	(0)	-7709%
Other	(246)	(303)	(310)	(111)	-179%
Total Operational Expenditure	**(1 491)**	**(1 567)**	**(1 496)**	**(1 272)**	**-18%**
Operating (Deficit)	**(165)**	**(292)**	**(263)**	**(76)**	**-245%**
					T3.62.5

3.63 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

This function is not performed by this municipality.

T3.63.1

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Health inspections are done by Environmental Health Practitioners (EHPs) and they are concerned with the administration, inspection, monitoring, education and regulation as prescribed in environmental health legislation. They act as a public arbiter of environmental health standards, maintaining close contact with the community.

They develop professional standards and apply them in environmental health and the main functions can be described as:

1) Ensure safe food:

All food handling premises must be in possession of COA's (Certificate of Acceptability) - which implies that health requirements are met in terms of R962 (Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972).

Educate food handlers: 125 handlers were reached through health awareness campaigns.

2) Ensure safe water through continues sampling
3) Ensure safe medical waste disposal. Maintain a compliance ratio of 95% through the year.
4) Accommodate informal trading by implementing minimum health standards and equip informal food handlers with health education

Measures taken to improve performance

- Performance are measured quarterly through SDBIP performance evaluations.
- Compiled Reports on Food premises and medical waste generator as tool for monitoring
- Improved Collaboration between other departments namely WSA (Water Service Authority/Technical division), Public Administration, Councillors by planned meetings and contact sessions e.g. PIP (Priority Intervention Program) meetings.
- Monthly reports on Key Performance areas are compiled to be submitted to the District Municipality
- Ensure that all EHP's are registered in terms of the Health Professions Act, which oblige EHP's to obtain CPD units, ensuring competence to learning activity.
- Align Environmental Health to Draft Norms and Standards for Environmental Health in South Africa, FEBRUARY 2013 (National Department of Health)

T3.64.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc.

Safe Water:

A potable water sample plan was compiled in accordance to SANS 10241 which requires a compliance monitoring of 564 samples to be taken in 1 (one) year with a population ratio of approximately 100,000 people. Actual samples taken by this division which includes quality and compliance monitoring was 581 samples.

Safe Food:

Formal food premises growth was with almost 8 % (178 premises to 220 premises). 84 COA's (Certificate of Acceptability) were issued for formal and informal food traders during this year to maintain health standards in order to ensure safe food. An average compliance ratio of 72% was maintained.

Medical Waste:

Medical Waste generators decreased from 46 generators to 45 generators, a percentage decline of 2%, due to the closure of one generator. An average of 95% compliance ratio to SANS 10248:2004 (Management of Healthcare Waste) was maintained.

T3.64.2

Health Inspection, Etc Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/13		2013/14			2014/15	2015/16	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Educate Foodhandlers	To educate all foodhandlers	24 per year	35	24	24	125	24	125	125
Clean rest rooms at service stations	Evaluation of filling station/rest rooms by organising cleanest Rest Room competitions of all filling stations	2 evaluations per year	2 evaluations per year	2 evaluations per year	2 evaluations per year	2 evaluations per year	2 evaluations per year	2 evaluations per year	2 evaluations per year
Safe drinking water	Execute water sampling plan	567 samples per year	595	576	564	581	564	564	564
Safe disposal of medical waste	Compliance ratio of 90% on medical waste generators	90%	97%	95%	95%	95%	95%	95%	95%
Clean Environment	Anti-Litter campaigns	12 campaigns	16	12	9	7	9	9	9
Job Creation/Clean environment	Planned cleanup actions using the unemployed	56 campaigns	179	56	56	278	56	56	56
									T3.64.3

Employees: Health Inspection, Etc.					
Job Level	2012/2013	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	5	4	0.5	10%
7 - 9		3	3	0	0%
10 - 12		1	1	0	0%
13 - 15			0	0	0%
16 - 18		1	1	0	0%
19 - 20			0	0	0%
Total	6	11	10	0.5	5%
					T3.64.4

Financial Performance 2013/14: Health Inspection, Etc.					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**(17)**	**10**	**(20)**	**(18)**	**-11%**
Expenditure:					
Employees	(2 906)	(3 130)	(2 793)	(2 819)	1%
Repairs and Maintenance	(29)	(69)	(69)	(6)	-1048%
Other	(574)	(549)	(501)	(424)	-18%
Total Operational Expenditure	**(3 509)**	**(3 749)**	**(3 363)**	**(3 249)**	**-4%**
Operating (Deficit)	**(3 526)**	**(3 739)**	**(3 383)**	**(3 267)**	**-4%**
.					T3.64.5

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONs, Etc. OVERALL:

In terms of Food Inspections
An average compliance ratio of 72 %were maintained (of a total of 178 premises)
With regards to personnel shortage, it remains evident that positive progress was still made in terms of health inspections.

Performance of Medical Waste Health Inspections
An average compliance ratio of 97% was maintained (of a total of 46 generators)

T3.64.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The Security Division is in existence for the past 29 years in the //Khara Hais Municipality.

During the period of review, the Division with the available manpower and resources to their disposal had to serve and protect the communities within the jurisdiction of Council.

The Security Division is responsible for the following:

- Responsible for the protection monitoring and safeguarding Council's properties information and personnel
- The safe transportation of Council's Cash in Transit (transporting Council's cash from the different points to the bank)
- Responsible for enforcement of Council's by-laws, policies
- The prevention of crime within the jurisdiction of Council
- The monitoring and response to alarm activation

INCIDENTS

During the period of this review there were no serious incidents involving the loss of life or violence.
Visible policing was rendered at all Local, Provincial and National events that were hosted on Council properties.

Public Nuisances - The Security Unit monitors and acts on all complaints regarding Public Nuisances received from the public as well as from Client Services Division of the Council.

T3.65.0

3.65 POLICE

INTRODUCTION TO POLICE

The Municipality does not have a Metropolitan police department. This function is being provided by the Security Unit of the //Khara Hais Municipality

T3.65.1

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

A fulltime fire services is in place and operates on a 24/7 basis. The training center is accredited with LG SETA and with the South African Fire Services (SAFSI) to provide Fire Fighting courses.

Re-evaluation is presently in process with the South African Fire Services (SAFSI) regarding accreditation for Fire Fighter I & Hazmat Awareness and Fire Fighter II & Hazmat Operations, modules.

T3.66.1

Metropolitan Fire Service Data					
	Details	2011/2012	2012/2013		2013/2014
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	211	190	186	165
2	Total of other incidents attended in the year	126	93	49	45
3	Average turnout time - urban areas	65%	71	70%	75%
4	Average turnout time - rural areas	40%	50%	40%	50%
5	Fire fighters in post at year end	43	45	43	46
6	Total fire appliances at year end	5	5	5	6
7	Average number of appliance off the road during the year	2	2	2	0
					T3.66.2

Fire Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2011/12		2012/13			2013/14	2014/15	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Response times compared to SANS Requirements	To minimize losses with 10%	80%	60%	70%	70%	65%	70%	60%	50%
Review of Disaster Management Plan		40%	20%	40%	60%	70%	60%	65%	80%
Provision to increase the drain pipe sizes at households located within low line areas - in conjunction with the Technical Division		20%	15%	30%	25%	25%	40%	60%	80%
to build capacity and make provision for structures in rural areas in order to speed-up respond times		5%	10%	15%	20%	10%	20%	40%	60%
									T3.66.3

Employees: Fire Services					
Job Level	2012/2013	2013/2014			
Fire Fighters / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	1	1	1	0	0%
4 - 6	3	3	1	2	67%
7 - 9	6	10	10	0	0%
10 - 12	7	17	17	0	0%
13 - 15	9	9	9	0	0%
16 - 18	11	2	2	0	0%
19 - 20	0	0	0	0	0%
Total	37	42	40	2	5%
					T3.66.4

Financial Performance 2013/14: Fire Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**280**	**34**	**(28)**	**24**	**213%**
Expenditure:					
Fire fighters					
Other employees	(8 569)	(9 247)	(10 653)	(10 139)	-5%
Repairs and Maintenance	(214)	(319)	(319)	(123)	-160%
Other	(2 106)	(1 076)	(1 569)	(756)	-108%
Total Operational Expenditure	**(10 889)**	**(10 642)**	**(12 541)**	**(11 018)**	**-14%**
Operating (Deficit)	**(10 609)**	**(10 607)**	**(12 569)**	**(10 993)**	**-14%**
					T3.66.5

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

There is presently uncertainty as to the responsibilities regarding fire services within the municipal jurisdiction and this issue needs to be clarified with the District Municipality.

This division also serves remote areas within the municipal jurisdiction and has limited resources available. Specialized emergency equipment is not locally available and is normally imported from abroad, is very expensive and delays are experienced with repairs.

The present budget constrains also impacts on the purchase of much needed equipment and hampers service delivery to the community and business's.

The risks are increasing with the present local economic growth and preventative/rehabilitative measures needs to be put in place in order to ensure a safe living environment for all communities.

T3.66.7

3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

DISASTER MANAGEMENT

The disaster management function is part of the emergency services division and reports to the directorate community services.

The portfolio is based on activities as defined in the Disaster Management Act, 2002 (Act 57 of 2002) of which policies has been formed in order to enhance service delivery to the community and business sector.

The Council has got a social relief policy in place which provide assistance to disaster stricken families in the form of blankets, mattresses, food parcels and building materials. This is normally done in conjunction with the ward councillor once the investigation has been completed.

In order to build capacity, corps members (volunteers) are recruited from institutions, schools, ward members and the private sector. This is done by means of training volunteers up to the First Aid 3, Basic Fire Fighting and Fire Extinguisher Handling. After successful completion of a written and practical test, certificates are issued to competent learners. The institution is register with the Department of Labour and LG SETA as an accredited training institution.

Annual drills are held to assess competency with these volunteers and all stake holders e.g. SAPS, Department of Health, EMS, ACSA, SANDF, Provincial Traffic and other government departments are involved.

T3.67.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

DISASTER MANAGEMENT

Training	-	21
People trained	-	215
Social Relief	-	13 households
Incidents		
Fire related (dwellings, grass, structural, transport)	-	186
Motor Vehicle Accidents	-	118

T3.67.2

Fire Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2010/2011		2011/2012			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
Review of disaster management plan.							In process	In Process	
Provision to increase the drain pipe sizes at households located within low line areas - in conjunction with the Technical Division.							40%	60%	80%
To build capacity and make provision for structures in rural areas in order to speed-up respond times							20%	40%	60%
									T3.66.3

Employees: Disaster Management, Parking Area Development and Traffic Services, Etc.					
Job Level	2012/2013	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0.24	24%
4 - 6	3	3	3	0	0%
7 - 9	6	9	6	1.4	16%
10 - 12	7	10	9	0.5	5%
13 - 15	9	15	12	3	20%
16 - 18	4	4	4	0	0%
19 - 20	0	0	0	0	
Total	30	42	35	5.14	12%
					T3.67.4

Financial Performance 2013/14: Disaster Management, Parking Area Development and Traffic Services, Etc.					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**6 972**	**7 856**	**6 558**	**6 261**	**-5%**
Expenditure:					
Employees	(9 097)	(9 455)	(9 932)	(9 783)	-2%
Repairs and Maintenance	(246)	(407)	(428)	(185)	-132%
Other	(2 876)	(3 256)	(2 888)	(1 250)	-131%
Total Operational Expenditure	**(12 220)**	**(13 118)**	**(13 248)**	**(11 217)**	**-18%**
Operating (Deficit)	**(5 248)**	**(5 263)**	**(6 691)**	**(4 956)**	**-35%**
					T3.67.5

Capital Expenditure 2013/14: Disaster Management, Parking Area Development and Traffic Services, Etc.					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	132	20	-558%	
2 x e-Natis Document Printer	–	39	–	-100%	39
2 x e-Natis Query Printer	–	15	–	-100%	15
4 x 19" LCD Monitor		13	–	-100%	13
4 x e-Natis Work stations	–	41	–	-100%	41
Handradios's	–	4	–	-100%	4
TCS Server	–	20	20	0%	20
					T3.67.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Although the budget is based on actual costs from the previous financial years, it can safely be said that an impact and vulnerability of any unplanned event cannot be determined, due to unforeseen circumstances especially with the unpredictability of severe weather conditions (Global Warming).

We have identified a problem relating to drainage areas and the need to develop and replace pipe sizes over a 5 year period in conjunction with the technical division as the relevant role player. This has been noted in the IDP.

The submission of a business plan to access funds from COGSTA in order to make provision for disaster mitigation at the identified flood areas where households and goods are annually damaged. The objectives will be a co-ordinated function with the Technical division.

The council has embarked on a Lungisa Konke Program and this event has made a remarkable impact on service delivery. The effort has so far resulted in a positive contribution to keep the wards clean and needs to be sustained.

T3.67.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The maintenance and upkeep of neighbourhood parks, sports-fields and swimming pools are conducted by the parks and recreation department. In as so far as sports facilities are concerned, the municipality has two stadia plus five sports fields which are mainly used for soccer and rugby. Other sporting codes that are catered for in these fields include basketball, volleyball, netball, and cricket. All the fields are maintained to acceptable standards and are used by various communities for both practice sessions and formal matches. There is a shortage of horticultural expertise in the region which is a prerequisite for turf maintenance. The municipality has thus far formally trained eight general workers in turf-grass maintenance in order to equip its workers who are responsible for the maintenance and upkeep of sports facilities. Through funding from the National Lotteries Board (NLB), the municipality is currently completing the upgrading two sports facilities which are situated in the rural areas (Karos and Kalksloot). The municipality also assists informal clubs (football and netball) by means of grading and levelling informal fields, providing lime for marking of lines and mobile posts.

The municipality has sufficient parks in the urban and suburban areas for local residents to use for relaxation and recreation. There is however a shortage of parks in the peri-urban and rural areas of the municipality. This shortage is slowly being attended to through development of additional parks in these neighbourhoods. In 2013/2014 embarked on seven projects for additional parks which are under construction. In order to ensure that these parks are being maintained, each park has a general worker stationed at it for maintenance purposes. The municipality has revamped its regional park namely, Reitzpark, to cater for the needs that are beyond the capacity of the neighbourhood parks such as swimming, braai and enjoyment. This facility receives large visitation during weekends and school holidays.

There are three swimming pools which are situated in respective neighbourhoods. The main swimming pool, which is an Olympic size, is situated in town and it attracts a huge and wide spectrum of users. The other swimming pools are, in the regional park and the holiday resort. All the swimming pools are maintained to acceptable standards, these include algae and pH controls. The water quality is checked by environmental health practitioners on regular basis.

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

The total bookings made for using the sports facilities in 2013/2014 is 565.

T3.68.1

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives / Service Indicators (i)	Outline Service Target (ii)	2011/2012		2012/2013			2013/2014	2015/2016	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Development of Parks	100%	100%	100%	100%	100%	100%	100%	100%	
Development of Sports fields	100%	100%	100%	100%	100%	100%	100%	100%	
Upgrading of Sports fields	100%	100%	100%	100%	100%	100%	100%	100%	
									3.68.2

Financial Performance 2013/14: Sport and Recreation					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**21 231**	**6 282**	**5 026**	**4 533**	**-11%**
Expenditure:					
Employees	(22 448)	(24 635)	(24 099)	(24 472)	2%
Repairs and Maintenance	(1 151)	(1 146)	(1 146)	(831)	-38%
Other	(10 113)	(15 131)	(13 659)	(3 933)	-247%
Total Operational Expenditure	**(33 711)**	**(40 912)**	**(38 903)**	**(29 236)**	**-33%**
Operating (Deficit)	**(12 480)**	**(34 629)**	**(33 877)**	**(24 703)**	**-37%**
.					T3.68.4

Capital Expenditure 2013/14: Sport and Recreation					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	2 945	17 307	10 543	-64%	
Aborcity 2012 Park: Paballelo	–	207	286	28%	207
Fencing of Park: Kalksloot	100	425	359	-18%	425
Fencing of Park: Kameelmond	41	8	229	97%	8
Fencing of Park: Karos	–	411	–	-100%	411
Fencing of Park: Lambrechtsdrift	–	553	499	-11%	553
Fencing of Park: Leerkrans	100	603	367	-64%	603
Fencing of Park: Leseding	50	442	357	-24%	442
Development of Park: Milleniumpark Erf 19807	50		–	n/a	
Fencing of Park: Louisvaleweg (Erf 428)	–	245	99	-146%	245
Fencing of Park: Louisvaleweg (Erf 890)	–	491	386	-27%	491
Fencing of Park: Ntsikelelo	50	496	406	-22%	496
Fencing of Park: Raaswater	100	591	482	-23%	591

Fencing of Park: Rondomskrik	–	75	56	-34%	75
Prefab Toilet: 17 Park	–	2	–	-100%	2
Prefab Toilet: Arcacia & Ebbehout	–	2	–	-100%	2
Prefab Toilet: Disa Park	–	2	–	-100%	2
Prefab Toilet: Hospital Park	–	2	–	-100%	2
Prefab Toilet: Modesta Park	–	2	–	-100%	2
Upgrading of Irrigation Systems for Small Parks	–	113	170	33%	113
Wooden Poles: Monument Park	–	3	1	-462%	3
Construction of Screening Wall at Bellvue Swimming Pool	–	14	–	-100%	14
Grass Moving Machine	–	(5)	–	-100%	(5)
MIB Back Chair	–	1	–	-100%	1
Hisense TV Unit	–	5	–	-100%	5
Ablution Facilities at Kalksloot Sportsfield	–	344	305	-13%	344
Ablution Facilities at Karos Stadium	–	368	320	-15%	368
Community Sport Facilities for the YDVS Programme (Phase 1)	–	232	3 489	93%	232
Community Sport Facility: SFC Programme Dakota	–	771	–	-100%	771
Community Sport Facility: SFC Programme L / dorp	–	645	135	-379%	645
Community Sport Facility: SFC Programme Paballelo	–	2 093	–	-100%	2 093
Community Sport Facility: SFC Programme Raaswater	–	1 648	429	-284%	1 648
Community Sport Facility: SFC Programme Rainbow	–	1 247	–	-100%	1 247
Community Sport Facility: SFC Programme Rosedale	–	949	–	-100%	949
Development of New Sportground: Lambrechtsdrift	978	1 265	754	-68%	1 265
Development of New Sportground: Louisvale Dorp	1 443	1 700	703	-142%	1 700
Development of New Sportground: Ntsikelelo	34	322	–	-100%	322
Upgrading - Kalksloot Sport Grounds (Lotto)	–	48	48	0%	48
Upgrading - Karos Sport Grounds (Lotto)	–	987	518	-91%	987
DSTV Decoders	–	–	2	100%	2
Zero Turn Lawn Movers	–	–	145	100%	145
					T3.68.5

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The largest projects that were executed by the department are the upgrading of Kalksloot and Karos Sports-fields, Development of Soccer-fields (Ward 12 & 14) and Development of Parks in various Wards. The following projects are completed:

1. Upgrading of sports field in Kalksloot
2. Development of Arborcity Park
3. Development of park in Dakota

The remainder of the projects is still in progress.

T3.68.6

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

The //Khara Hais Municipality consist of 27 councillors, 14 are ward based and the rest are proportional representatives. The Municipality is made of 14 wards.

The Mayor is a non-executive Mayor. The Council makes use of an executive committee system.

The Executive Committee consists of five members. Three members are from the ANC and one each from DA and Cope.

T3.69.0

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Council established an Executive Committee comprising of 5 members. The Mayor in conjunction with the Council decides when and where the EXCO meets. It is comprised of the following political parties: ANC 3 seats, DA 1 seat and COPE 1 seat.

The Mayor is the chairperson of the Executive Committee. He / she performs the duties, including any ceremonial functions, and exercise the powers delegated to the mayor by the municipal council or executive committee.

The council has five portfolio committees.

- Committee for Service Delivery and Infrastructure Development
- Committee for Local Economic Development
- Committee for Corporate Governance
- Committee for Transformation and Institutional Development
- Committee for Financial Viability

Members of the Executive Committee are tasked with the responsibility and chairing the supporting committees. These committees meet at least once a month. They have certain delegated powers by which they make recommendations to the council on matters falling with their spheres of operation and responsibility.

T3.69.1

Employees: The Executive and Council					
Job Level	2012/13	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	2	4	2	1	25%
10 - 12	0	0	0	0	
13 - 15	2	2	0	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	7	9	5	1	11%
					T3.69.4

Financial Performance 2013/14: The Executive and Council					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**48 388**	**61 170**	**61 380**	**68 908**	**11%**
Expenditure:					
Employees	(10 300)	(12 358)	(10 715)	(12 710)	16%
Repairs and Maintenance	0	(0)	(0)	–	-100%
Other	(19 311)	(16 725)	(15 835)	(23 485)	33%
Total Operational Expenditure	**(29 611)**	**(29 083)**	**(26 550)**	**(36 195)**	**27%**
Operating (Deficit) / Surplus	**18 777**	**32 087**	**34 830**	**32 714**	**-6%**
.					T3.69.5

Capital Expenditure 2013/14: The Executive and Council					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	2 445	2 065	1 009	-105%	
Wyk 08: Park by Dakotaweg	–	59	–	-100%	59
Wyk 09: Park in Keidebees (Luxmanweg)	–	25	25	0%	25
Wyk 8: Development of Park at Diedrick Woonstelle	–	49	49	0%	49
Wyk 06: Aanbring van spoedhobbels by Weston-, Omega-, Khambule- en Shimanestraat	–	24	24	-3%	24
Wyk 9: Creation of acres and paving in Aubrey Beukes Avenue	–	4	9	51%	4
Wyk 02: Kantoorgebou vir raadslid / wykkomitee	–	99	99	0%	99
Wyk 04: Kantoorgebou vir raadslid / wykkomitee	–	115	108	-7%	115
Wyk 04: Palisade Omheining by Wykskantoor	–	49	49	0%	49
Wyk 07: Kantoorgebou vir raadslid / wykkomitee	–	31	31	0%	31
Wyk 11: Kantoorgebou vir raadslid / wykkomitee	–	27	27	0%	27
Wyk 13: Aankoop van materiaal vir palisade omheining	–	41	41	0%	41
Wyk 13: Kantoorgebou vir raadslid / wykkomitee	–	172	162	-6%	172
Wyksprojek Wyk 1: Oprigting van gebou ND Swartz gebou	–	121	95	-27%	121
Wyk 12: Aankoop van Gedeelte 348 (Plaas Mooirivier)	–	270	270	0%	270
Unallocated Assets	1 045	978	–	-100%	978
Wyk 01: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 02: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 03: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 04: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–

Wyk 05: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 06: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 07: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 08: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 09: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 10: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 11: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 12: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 13: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Wyk 14: Nie-Toegekende Wyksprojekte	100	–	–	n/a	–
Conference Table	–	–	12	n/a	–
20 x Chairs Councillors Offices	–	–	8	100%	–
					T3.69.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The Council performs their legislative function punctually and very adequately and all meetings take place according to a approved administrative calendar.

The Section 79 committees made recommendations to the Executive Committee, which submitted it to the monthly Council meeting for final approval.

The Speaker is the Chairperson of Council, while the Mayor chairs the Executive Committee meeting.

T3.69.7

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Directorate Financial Services renders a financial service to the //Khara Hais Municipality and the //Khara Hais community as a whole. As the successes in service delivery are underpinned by a healthy and financially stable Municipality it is of the utmost importance that the finances of the town are managed in a disciplined and controlled manner.

The Directorate is led by the Chief Financial Officer and three Heads of Departments. These Sub-Directorates and their functions are:

Financial Services	
Billing and Revenue Collection	Billing Management (Timeous rendering of monthly accounts) Municipal Property Valuation Roll Management Indigent Household Management Debtors Administration / Revenue Collection Prepaid Water & Electricity Sales Cash Flow Management
Financial and Asset Management	Budgets and Budgeting Control Annual / Six Monthly / Quarterly / Monthly Reporting Assets Management Insurance of Assets Fleet Management Borrowing Management Investment Management Creditors Management Payroll Management
Supply Chain Management	Procurement Management (SCM Regulations and Policy) Supply Chain Database Management Stores and Inventory Management

CHALLENGES

Some of the main challenges for this Directorate in the 2013/2014 financial year were as follows:

- To get the finances of the municipality on a sustainable level.
- To provide financing for future capital projects and to keep tariffs on an affordable level.
- Building and retention of capacity in the Financial Directorate specifically in the Asset Management unit is of the utmost importance. The successes in the Financial Directorate can be attributed to the commitment of the staff in this Directorate.
- Many challenges specifically come from National and Provincial Treasury.
- The implementation of GRAP and other related issues, i.e. the asset register will always stay as a challenge to municipalities.
- To get a clean audit report.

T3.70.1

Debt Recovery								
								R' 000
Details of the types of account raised and recovered	2011/12		2012/13			2013/14		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year (July 2013 - June 2014)	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	43 788	109.7%	52 230	50 040	95.8%	61 044	74 413	121.9%
Electricity	121 788	99.2%	138 785	137 574	99.1%	156 247	137 979	88.3%
Water	36 447	94.5%	38 592	35 878	93.0%	44 210	36 470	82.5%
Sanitation	20 799	98.3%	22 551	22 160	98.3%	24 031	17 378	72.3%
Refuse	14 338	97.0%	19 326	18 810	97.3%	21 216	13 902	65.5%
Other	3 884	81.4%	4 554	3 638	79.9%	7 872	7 978	101.3%
								T3.70.2

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/2013		2013/2014			2014/2015	2015/2016	
		Target	Actual	Target	Target	Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Timeous rendering of monthly accounts	Delivering of monthly accounts to the Post Office on the last working day of each month	12 times	100% executed	12 times	12 times	100% executed	12 times	12 times	12 times
Debtors Test = (Gross Debtors / Total Revenue from Rates and Services) x 365 Days	60 days	60 days	47.45 days	60 days	60 days	43.8 days	66 days	66 days	66 days
Current debtors as a % of total outstanding debtors	34%	34%	54.20%	34%	34%	51.26%	32%	32%	32%
Payment % of current financial year (levied / payments)	99.40%	99.40%	95.83%	99.40%	99.40%	96.61%	97.30%	97.30%	97.30%
									T3.70.3

Employees: Financial Services					
Job Level	2012/2013	2013/2014			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	5	5	0	0%
4 - 6	3	7	7	0	0%
7 - 9	6	35	32	1	3%
10 - 12	7	21	15	3	14%
13 - 15	9	0	0	0	0%
16 - 18	11	1	1	0	0%
19 - 20	18	0	0	0	0%
Total	55	69	60	4	6%
					T3.70.4

Financial Performance 2013/14: Financial Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**91 841**	**100 609**	**137 001**	**115 610**	**-19%**
Expenditure:					
Employees	(15 927)	(16 741)	(17 376)	(17 133)	-1%
Repairs and Maintenance	(35)	(47)	(40)	(14)	-186%
Other	(35 857)	(31 801)	(33 164)	(43 251)	23%
Total Operational Expenditure	**(51 818)**	**(48 588)**	**(50 579)**	**(60 398)**	**16%**
Operating Surplus	**40 023**	**52 021**	**86 422**	**55 212**	**-57%**
.					T3.70.5

Capital Expenditure 2013/14: Financial Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	196	124	-58%	
IMQS - Durcharme Moveable Asset System	–	30	–	-100%	30
Installation of Electrical Gate	–	13	–	-100%	–
Rekeningdrukker	–	153	117	-31%	153
8 x High Back Chairs SCM	–	–	7	100%	–
					T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

All the projects for the directorate on the capital budget, were administrative. The capital project with the highest value is the acquisition of an account printer. The budgeted amount was R153 050.00 and the total project cost was R117 225 (Vat exclusive). The project is completed.

The second highest capital project was the purchase of the IMQS – Ducharme movable asset system, that was purchased to enable the Asset Management unit to account for all movable assets. The order was issued on 27 March 2014 already, however the invoice was never processed on the financial system for payment. The total project cost was R30, 000.00 (Vat exclusive).

The third highest capital project in the directorate was the acquisition and installation of an electrical gate at the municipal store building, to provide access control to inventory items that is kept in the yard of the stores. The budgeted amount was R13 711.00 and the total project cost was R13 711 (Vat exclusive). The order was issued on 20 May 2014, however the appointed contractor was still busy with the installation of the gate on 30 June 2014.

The fourth highest project was the acquisition of 8 high back chairs for the newly appointed supply chain management personnel. The budgeted amount was R6, 944.00 and the total project cost was R6, 936.00 (Vat exclusive).

It needs to be mentioned that funds for all the capital projects of the directorate were requested from the unallocated funds' budget that fell under the Municipal Manager.

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The main responsibilities of the Human Resource Department are recruitment and selection, training and development, occupational health and safety, as well as labour relations. With a staff complement of 14 employees Human Resource Services were delivered to the 820 full time employees. Seven employees were awarded study bursaries to complete formal qualifications. There are 306 employees who were sent on short courses. Functionality of the Local Labour Forum improved to the effect that the forum met four times during the year.

T3.71.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The following transactions were processed during the year:

New appointments	= 18
Terminations of employment	= 63
Sick leave days taken	= 6554
Injury on duty	= 445 leave days taken by 20 employees
Number of employees on training courses	=306
Disciplinary inquiries held	=30

T3.71.2

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/13		2013/14			2013/14	2014/15	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective									
None									
Review Employment Equity Plan									
Develop a Human Resource Plan									
									T3.71.3

Employees: Human Resource Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	8	8	7	0.4	5%
7 - 9	6	6	5	0.3	5%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	16	16	14	0.7	4%
					T3.71.4

Financial Performance 2013/14: Human Resource Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**694**	**375**	**375**	**371**	**-1%**
Expenditure:					
Employees	(5 233)	(5 762)	(5 359)	(5 340)	0%
Repairs and Maintenance	(7)	–	–	–	n/a
Other	506	(966)	(929)	(1 134)	18%
Total Operational Expenditure	**(4 734)**	**(6 729)**	**(6 288)**	**(6 475)**	**3%**
Operating (Deficit)	**(4 039)**	**(6 354)**	**(5 914)**	**(6 104)**	**3%**
.					T3.71.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Human Resources delivered services to the 820 permanent employees, 27 Councilors and 903 seasonal and contract workers. All funded critical vacancies were filled. During the financial year a Human Resource Plan was developed and approved by Council. Quarterly Local Labour Forum meetings were held with Labour Unions. Central Committee meetings of the Occupational health and Safety structures were held. A new Human Resources Information System was successfully piloted for possible implementation. Study Bursaries were allocated to seven employees for formal studies. Human Resources overall rating in respect of the Service Delivery Budget Implementation Plan (SDBIP) was fully effective.

T3.71.7

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The establishment of ICT department within Khara Hais Municipality to render a service to all departments through effective, efficient and cost effective systems and equipment that enhances the performance of these departments in service delivery to inhabitants.

Council has twelve servers on which its systems run. These systems are for financial management, document management, prepaid services, security and connectivity, communication, traffic fines management and resort management.

Council business is conducted from 21 different buildings spread over the whole servicing area. These building are connected via wireless network allowing user access to systems no matter where a user is stationed. Within the buildings a wired network connects the offices to a main switch connected to the servers.

The IT Department supports all system users, maintains equipment and is responsible for the purchasing of equipment either for replacement or new staff. Keeping track with technology changes is always challenging due to budget constraints.

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

12 x Servers

21 x Buildings connected to wireless network

201 x Offices networked

240 x PC's and Laptops

130 x Printers

2676 helpdesk calls received for the period of review of which 2592 were completed = 97%

T3.72.2

ICT Services Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	2012/2013		2013/2014			2014/2015	2016/2017	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Administrative & Institutional Capacity									
Development of effective internal systems to provide better service to all residents	Upgrading of Desktop Application licenses	2 000 000		2 000 000	1 000 000	533 441	2 000 000	2 000 000	1 000 000
	Purchasing and replacement of computers and peripherals	1 000 000		1 000 000	500 000	353 326	1 000 000	1 000 000	500 000
	Fencing network point at Van Riebeeck Koppie	500 000		500 000	600 000	0	500 000	500 000	600 000
	Expand communication network	500 000		500 000	0	0	500 000	500 000	0
	IT Equipment	320 000		320 000	320 000	0	320 000	320 000	320 000
	Furniture	80 000		80 000	80 000	0	80 000	80 000	80 000
									T3.72.3

Employees: ICT Services					
Job Level	2012/13	2013/14			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	2	2	1	0.4	20%
7 - 9	4	4	3	0.24	6%
10 - 12	3	3	2	0.3	10%
13 - 15	0	0	0	0	0%
16 - 18	1	1	0	0.3	30%
19 - 20	0	0	0	0	0%
Total	11	11	7	1.24	11%
					T3.72.4

Financial Performance 2013/2014: ICT Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**–**	**–**	**–**	**–**	**n/a**
Expenditure:					
Employees	(2 226)	(2 649)	(2 600)	(2 484)	-7%
Repairs and Maintenance	(606)	(1 475)	(1 010)	(513)	-188%
Other	(1 161)	(1 023)	(1 024)	(481)	-113%
Total Operational Expenditure	**(3 993)**	**(5 148)**	**(4 633)**	**(3 477)**	**-48%**
Operating (Deficit)	**(3 993)**	**(5 148)**	**(4 633)**	**(3 477)**	**-48%**
					T3.72.5

Capital Expenditure 2013/14: ICT Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	58	29	-102%	
Backup System	–	1	1	0%	1
Laptop (MIG Grant)	–	7	7	0%	7
Netwerkkommunikasie na derde party punte	–	38	15	-160%	38
Postflex Printer	–	2	2	0%	2
5 x D-Term Telephones (LCU Unit)	–	6	–	-100%	6
HP Laserjet Printer	–	4	4	0%	4
Laser Printer (MIG Grant)	–	1	1	0%	1
					T3.72.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

New PC's, Laptops and printers were purchased in the event the equipment had become redundant or uneconomical to repair. Same was purchased for new positions as the need arose.

T3.72.7

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

LEGAL SERVICES

The Legal Services division delivers a supporting function to all directorates in the municipality. The division forms part of the Directorate Corporate Services. This office handles all requests for legal advice and legal aid in respect of municipal matters.

This office is also responsible for the contracts of the municipality. A number of new contracts we concluded and contracts that expired were renewed.

RISK MANAGEMENT

Risk Management is the identification, assessment, and prioritization of risks through a structured and systematic process followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of risks.

When properly executed risk management can provide reasonable assurance to Council and management that the municipality will be successful in achieving its objectives and goals.

Measures taken to improve performance

- The ratings of the following business risks were provided by senior and middle management of the organisation and captured in the risk assessment tool. The risks with the highest impact scoring has been identified and categorised first. The business risks are categorized by the different levels within the organisation's structures.

- The risk register including all risk facing //Khara Hais Municipality. This is the complete register emanating from the workshop conducted between the 6 till 10 May 2013.

- As per the risk assessment, //Khara Hais Local Municipality is a medium risk municipality which implies that the risk profile is at a moderate level. It must be noted that in the event adequate/effective monitoring does not take place, the risks will materialize resulting in an adverse impact towards attainment of objectives. The Municipal risk exposure at both inherent and residual levels as illustrated with graphs.

- As part of the Risk management policy of the organisation, the Internal Audit Plan will make provision for the test of these controls to ensure that management's perception is in line with the reality of controls efficiency and effectiveness.

Managing business risks associated with in the municipality is an ongoing process involving different levels within the organisation. Even though risks identified may have a low likelihood of occurring or controls are in place mitigating the risks, a continuous approach of monitoring and testing of controls needs to be done by management supported by the internal audit function.

This report serves as a basis in the preparation of the Internal Audit Plan as it highlights the business risks that management deems needs to be concentrated on first.

PROPERTY

The Council approved the Property Disposal Policy on 31 January 2014, which meant that the moratorium on land disposal has been lifted.

Thereby the sale and leasing of land has been resumed.

All property transactions are handled according to the Property Disposal Policy.

T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

LEGAL SERVICES

Legal Advice was requested from external sources on the following matters:

1. Recovery of money paid for repair of video camera
2. Truvelo Contract

3. Recovery of VAT: Ntilane Construction
4. Long Homes Erven
5. Removal of Hawkers
6. Purchase of the Farm Mooiriver
7. Agreement with Show Time Media
8. Illegal Occupation – Erf 18362 MJ Pitt/BS Williams
9. Illegal Occupation – A Mapoo
10. Rumours of "*Ghost*" workers
11. Agreement: New Provincial Hospital
12. Erf 15057: AG & GF van Wyk/MC Marries
13. Agreement: Gordonia Crushers
14. SAMRO
15. Changing of Place Names
16. Review of Agreement – Kalahari West Water
17. Claim against Council: Motor Vehicle Accident – FG Waterboer
18. Opinion: Amendment of Lease Clauses
19. Opinion: Right of Pre-Emption

The following contracts were renewed:

1. Leasing of Erf 2555 – Oasis Skills Development Centre
2. Leasing of Erf 15747 – Oranje Watersport CC

The following new agreements were entered into:

1. Lefatshe Service Level Agreement
2. Leasing of Erf 17543 – Pinkster Openbaring Kerk van Suid-Afrika
3. RIDS Grant Agreement – IDC
4. Leasing of Vehicle Testing Track
5. Leasing of Offices at ND Swartz Building to Department of Health
6. MOU – Surya Power (Pty) Ltd
7. Purchase of the Farm Melkstroom
8. Registration of Servitude - Sublunary Trading (Pty) Ltd
9. Addendum to NewHCo Agreement
10. Addendum to Provision of Sport Facilities – Department of Sport & Recreation
11. Service Level Agreement – Department of Transport, Roads & Safety
12. Selling of Pre-paid Electricty – MM Blaauw

No new By-laws were adopted by the Council during the period under review.

Council adopted or reviewed the following policies during the period under review:

1. Authority for Signatures of Municipal Cheques and Bank Transactions
2. Property Disposal Policy
3. Property Rates Policy
4. Customer Care, Credit Control, Debt Collection and Indigent Policy
5. Policy on the Writing-off of Irrecoverable Debt

6. Road Infrastructure Management Policy
7. Human Resources Plan
8. Availing of Graves to Indigent Residents
9. Overtime and Support Policy
10. Anti-Fraud and Corruption Strategy/Policy
11. Asset Management Policy
12. Advances for Funerals and Doctor Visits to Permanent Employees

RISK MANAGEMENT

Perform assessment as per approved risk assessment plan.
Report on findings on a quarterly basis.

Risk Management policy:

The objective of the risk policy is to ensure that a strategic plan is developed that assist management to make informed decisions which will:

- Improve the municipality's performance on decision making and planning;
- Promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities to benefit the municipality is encourage;
- Provide a sound basis for integrated risk management and internal control a components of good corporate governance;
- Promote a reporting system which will facilitate risk reporting; and
- Promote an effective culture of risk assessment.

Risk Management Strategy:

The roles and responsibilities of all stakeholders are clearly defined in the approved risk management strategy e.g Council; Accounting Officers; Risk Management Committee; line managers; Internal Audit; Risk Officer.

Risk Management Methodolgy:

The risk management processes are clearly defined in the risk management framework.

Risk Management Committee Charter:

Is about the roles and responsibilities of the committee amongst others:

- To ensure that risks are managed and monitored effectively;
- To evaluate reports from the Department Risk Management and the concerned departments;
- Review annually the risk management policy, charter, framework and strategy and recommend it for approval by Council and the Accounting Officer;
- Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Report to the Accounting Officer any material changes to the risk profile of the Institution;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;

Risk management implementation plan

Outline //Khara Hais Local Municipality risk management activities that will be carried out in the 2012/2013 financial year. The risk management implementation plan for the Municipality is hereby prepared to give effect to the implementation of the risk management policy and strategy and to sets out all risk management activities planned.

PROPERTY

The following disposal of erven has taken place in the period under review:

Erf	Sales price	Purchaser
10224, Paballelo	R5,600.00	SM Mashiyi
10275, Paballelo	R6,500.00	CT Links
10316, Paballelo	R5,500.00	V Kwela
10326, Paballelo	R4,800.00	ED Edwards
10222, Paballelo	R6,300.00	NV Ruiters
10260, Paballelo	R6,500.00	A Bendlela
10267, Paballelo	R6,500.00	RJ van Wyk
10294, Paballelo	R6,300.00	DA van Wyk
10296, Paballelo	R6,200.00	BM Rafisa
10302, Paballelo	R5,500.00	NR Silwana
10338, Paballelo	R7,000.00	J Mani
4073, Keidebees	R200,000.00	ID van Wyk
10265, Paballelo	R20,000.00	JMJ Mpompo
10261, Paballelo	R30,000.00	RC Makhabane
3275, Morning Glory	R79,800.00	CM Osborne
10262, Paballelo	R25,000.00	MC de Wee
10217, Paballelo	R20,000.00	NJ Mameja
10295, Paballelo	R20,000.00	AN Ramakhema
10319, Paballelo	R20,000.00	NP Zambo
10313, Paballelo	R17,000.00	R Cloete
10314, Paballelo	R16,000.00	LX Zaula
10278, Paballelo	R20,000.00	G Msebenzi
17654	R182,400.00	George Cooper Property & Development CC
885, Louisvale Road	R20,000.00	CW Mouton
10218, Paballelo	R30,000.00	LD Januarie
10244, Paballelo	R21,000.00	D Maku
10264, Paballelo	R70,000.00	E Tshikuku-Diyi
879, Louisvale Road	R11,500.00	Dr WJ van Voore
10186, Flora Park	R262,200.00	Dr WJ van Voore
19963, Flora Park	R205,200.00	Philip Mazibuko
10268, Paballelo	R35,000.00	MS Molokwane
5030, Bellvue	R135,000.00	Khaya's Construction

19962, Florapark	R205,200.00	MC van Rooi
16704, Pabalello	R5,000.00	W Tsipagoabone
16919, Pabalello	R5,000.00	NA Kutuoana
883, Louisvale Road	R16,530.00	S Paulse
19964, Flora Park	R230,000.00	Khaya's Construction
16625, Pabalello	R5,000.00	M Zacharia
20183, Rosedale	R5,000.00	AP Tembo
10242, Paballelo	R8,000.00	S Komazi
280, Karos	R10,000.00	Uniting Reformed Church
16857, Pabalello	R5,000.00	J Malgas
14850, Keidebees	R155,000.00	J Julies
19419, Rosedale	R5,000.00	G Twalo
16269, Morning Glory	R65,000.00	LJ van Kradenburg
		T3.73.2

Employees: Property and Other Admin					
Job Level	2011/12	2012/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	4	4	4	0	0%
10 - 12	4	4	4	0	0%
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	12	12	12	0	0%
					T3.73.4

Financial Performance 2013/14: Property and Other Admin					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
Total Operational Revenue	**915**	**7 639**	**5 077**	**3 828**	**-33%**
Expenditure:					
Employees	(32 341)	(32 788)	(36 651)	(36 027)	-2%
Repairs and Maintenance	(5 656)	(8 036)	(7 980)	(4 602)	-73%
Other	(1 241)	4 328	3 649	536	-581%
Total Operational Expenditure	**(39 237)**	**(36 496)**	**(40 982)**	**(40 093)**	**-2%**
Operating (Deficit)	**(38 322)**	**(28 857)**	**(35 905)**	**(36 265)**	**1%**
					T3.73.5

Capital Expenditure 2012/13: Property and Other Admin					R' 000
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from adjustment budget	Total Project Value
Total All	–	5 735	5 242	-9%	
Improvements At Workshop	–	1 527	1 226	-24%	1 527
1.6 500 Kg LAW voldeur Kappie (0025) (Vakante Pos)	–	121	121	0%	121
2 Ton Crew Cab Trok met Drarak (0048) (Vakante Pos)	–	1 485	1 485	0%	1 485
2 Ton Crew Cab Trok met Drarak (0067)	–	371	371	0%	371
500 Kg Law (Oorrol)	–	113	113	0%	113
7 000 L Vacuum Tanker (0028)	–	955	955	0%	955
Grass Mowing Machine	–	73	–	-100%	–
Mobiele Diesel Pomp	–	30	–	-100%	30
Zero Turn Lawn Mower	–	163	73	-124%	163
Mobiele Kraan	–	898	898	0%	898
					T3.73.6

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Legal Services

The Legal Services Section has been split into two sections, with the adoption of the new organizational structure by Council. One section deals with Legal Advice and Contract Management. The other section deals with the By-Laws and Policies of Council.

Risk Management

The Risk Management was established as an independent unit with the adoption of the new organizational structure by Council.

Property

The Section Property & Council Building Administration are in the process of procuring valuations on all vacant property for sale of land.

T3.73.7

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS
Not applicable to this Municipality
T3.74.0

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Municipal Scorecard (Indicators) 2013/2014		
KPA	**Development Objective**	**Indicator**
Input Indicators: Resource Management Perspective		
Land Management	Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Maintenance of IT system -Operational - 100% GIS updates sent to IT section within 14 days
		100% Building inspections completed within 48 hours
		Conduct 100% inspections for illegal buildings and land use transgressions within 7 days
Service Delivery and Infrastructure Delivery	Develop, manage and maintain essential bulk sewerage infrastructure and facilities to accomodate the aspirations, needs and pressures of present and future industries, businesses and dependant	Maintenance of main collectors : 100% of approved maintenance plan executed per quarter
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of sewerage services	Attend to sewer blockages and queries : 100% of blockages unblocked per quarter
		Sewer connections : 100% of requests for sewer connections executed per quarter
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of water services	100% of Prepaid Meters requests installed (Indigent) per quarter
		100% of New meter connections requests executed per quarter
		95% Attended to leaks, bursts and queries per quarter
		100% of Meter replacements (faulty meters) per quarter
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary road, transport and storm water infrastructure and facilities required to improve transportation in and aesthetic qualities of urban areas	Inspection programme (Storm Water) : 100% adherence to approved inspection plan per quarter
		Conduct maintenance (Storm Water) : 100% of requests completed per quarter
		Conduct maintenance (Storm Water) : 100% of planned maintenance completed per quarter
		Inspection programme (Roads) : 100% adherence to approved inspection plan per quarter

		Conduct maintenance (Roads) : 95% of requests completed per quarter
		Conduct maintenance (Roads) : 95% of planned maintenance completed per quarter
Service Delivery and Infrastructure Delivery	Eradicate housing backlogs in municipal area	Capturing of housing needs applications : 100% of applications captured and finalised per quarter
Service Delivery and Infrastructure Delivery	Provide for sustainable human settlements (housing)	Administrative processes, renting and approval of beneficiaries for 150 Rental Units by 31/03/2014
Service Delivery and Infrastructure Delivery	Provide, manage and maintain essential infrastructure required to improve electricity provision	Electricity Connections - 95% of connections in relation to requests
		Conduct repairs - 95% of requests attended to
		Energy Management -<9% electricity losses per quarter
		Conduct repairs Street lights - 95% of requests attended to
		Conduct repairs Installations - 95% of requests attended to
Local Economic Development	Create an environment that promotes the development of a diversified and sustainable economy	LED programmes and initiatives tangibly demonstrates IDP and SDF objectives : 80% development approvals, as reflected in Council resolutions, in line with IDP and SDF objectives per quarter
Local Economic Development	Promote the development of tourist infrastructure that will enhance tourism	Quarterly Tourism Forum meetings
Financial Viability	Enable and improve financial viability and management through well structured budget processes, financial systems and MFMA Compliance	5% deviation of actual expenditure vs departmental budget by 30 June 2014
		Submission of business plan for application of annual funds (Provincial) by 31 July 2014
		Actual operational expenditure as a % of approved expenditure - 95%
		Actual capital expenditure as a % of approved capital expenditure - 95%
		Actual operational revenue as a % of approved revenue - 99%
		Cash received (direct deposits) administration - No of direct deposits not receipted as a % of total direct deposits received : <1% (quarterly)
		Administer daily cash flow management - Investments as a % of surplus cash monthly
		Administer supply chain policy - Audit qualifications on SCM matters : 0 qualifications by 30/11/2013
Institutional Transformation	Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Three planned staff interactions by the end of each quarter
		One planned staff interaction by the end of each quarter (general staff)

		Pension fund administration - 100% of employees registered for pension fund within 1 month from date of employment
		Medical fund administration - % of employees on post level 13 & above registered for medical fund within 1 month from date of employment
		Group life scheme - % of employees on post level 13 & above registered for medical fund within 1 month from date of employment
		Induction of employees - 80% of new employees inducted within 10 days of appointment
		Effective and efficient network to all users/offices - 80% of online users vs offline users per quarter
		Individual Development Plan - 85% of approved training completed per quarter
		User training - 80% of training supplied vs requested per quarter
		User Support - 80% of service calls logged vs completed per quarter
		Senior Management meeting : Three planned staff interactions by the end of each quarter
		Joint Management meeting : Three planned staff interactions by the end of each quarter
		1 Structured focus session by 30 June 2014
		PMS framework : Signed Performance Agreements for all Setion 57 employees by 30 June 2014 (Financial year 2014/2015)
		Division performance : Fully functional rating per quarter
Good Governance and Customer Care	Facilitate the establishment of good governance practices	Maintain and calibrate road worthy equipment - acquire certificates by 30 Sept 2013
		Maintain and calibrate alcohol equipment - acquire certificates by 30 Sept 2013
		Maintain and calibrate speed equipment - acquire certificates by 30 Sept 2013
		Community participation meetings - 14 campaigns (1 campaign / ward) by 30/09/2013
		1 Ward Committee Training session per quarter
		100% Escourt duties performed per quarter
		Manage Intergovernmental relations : 70% Interventions achieved in terms of challenges per quarter
Good Governance and Customer Care	Manage and maintain municipal property, plant, equipment and vehicle fleet	Conduct repairs Installations - 95% of requests attended to
		Manage ad-hoc work requests - Operational : 95% of requests attended to per quarter
Good Governance and Customer Care	Provide equal access to sport, park, recreational facilities and other public amenities to all residents	Marketing of libraries by execution of 1 outreach program per quarter

Good Governance and Customer Care	Pro-active prevention, mitigation, identification and management of environmental health, fire and disaster risks	9 internal training sessions conducted by end of each quarter
		3 external training sessions conducted by end of each quarter
		SAESI certificate for accreditation to provide Fire Fighting training acquired by 30 Setember 2013
Process Indicators: Government Process Perspective		
Land Management	Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Town planning applications processed within prescribed timeframes
		100% Building plan applications processed within 30 days
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of water services	Ensure minimum effluent quality standards compliant with discharge license : 60% of samples meeting minimum biological standards by 30 June 2014
Service Delivery and Infrastructure Delivery	Provide, manage and maintain essential infrastructure required to improve electricity provision	Prepaid Meters inspections - 90%execution of inspection programme
		90% Execution of maintenance plan
		Breakdowns compliant to NRS standards - 90% of measures applied
		Execute maintenance plan - 90% adherence to plan: High masts
		Execute maintenance plan - 90% adherence to plan: Street lights
		Execute installations inspection plan - 95% adherence to installations inspection plan
		Installation Maintenance - Execute maintenance plan : 95% adherence to installation maintenance plan
Service Delivery and Infrastructure Delivery	Regulate and manage waste disposal to prevent pollution of the natural environment and natural resources	95 % of accessible households with access to basic refuse removal services in terms of operating programme per quarter
		95% Rendering of sanitation services as per service delivery programme per quarter
		Rendering of vacuum tank services on request - 95% of requests executed per quarter
		Repairs and Maintenance - Sewerage Reticulation (Sealing) - 2 times by June 2014
		Maintenance (Cleaning) of UDS toilets - 2 times by June 2014
Local Economic Development	Create an environment that promotes the development of a diversified and sustainable economy	BEE database - Quarterly report reflecting updated database
		Organized informal trading village (SMME Village) : Quarterly report refelcting job oppertunities created
Local Economic Development	Promote the development of tourist infrastructure that will enhance tourism	Manage holiday resorts - Quarterly report on resort statistics (% of budget achieved)

Financial Viability	Enable and improve financial viability and management through well structured budget processes, financial systems and MFMA Compliance	Billing administration - Delivering of monthly accounts to the Post Office on the last working day of each month
		Billing administration - Maintain billing system (All connections and final disconnections processed before billing run) per quarter
		100% Maintained Investments Register per quarter
		Maintenance of vendor database - Compliance with regulations/policy - <5% Applications received not captured in database as a percentage of registered service providers (proof of applications not processed or rejected must be supplied)
		Maintenance of vendor database - Compliance with regulations/policy - 90% of suppliers registered on database with valid tax clearance certificates per quarter
Institutional Transformation	Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Quarterly evaluations of all Section 66 employees
		95% of approved leave forms processed in BIQ leave system within timeframe of 1 month
		100% execution of Occupational Health & Safety plan per quarter
		Personnel procurement - 80% of critical vacant funded posts filled per quarter
		Manage absenteeism - 100% of prosecutions versus reports per quarter
		IT hardware and network maintenance schedule - 80% of equipment maintained according to plan per quarter
		Data security - Updated register per quarter
		100% Updated Assets Register per quarter
		Implement Grap 17 and other applicable GRAP Standards as per action plan by 30 June 2014
		Updated Assets Register - >90% Percentage of movable assets procured versus assets not bar-coded in assets register per quarter
		Disposal of assets by 28/02/2014
		Salary payment administration - 12 times timeous payment of Councillors and officials per annum
		Salary payment administration - 12 times timeous payment of third parties per annum
		Salary payment administration - Timeous issuing of IRP5's by 31/05/2014
		Disposal of redundant materials and assets - Arrange auction/s for the disposal of redundant stock by 30 June 2014
		100% Capturing of submitted Section 66 evaluations per quarter
Good Governance and Customer Care	Facilitate the establishment of good governance practices	R1,815 income generated by escort duties performed per quarter
		80% execution of maintenance programme (signage and road marks) per quarter
		1512 Learners and drivers assessments per quarter

		575 Vehicles tested for Roadworthiness per quarter
		12% of recoverability of fines issued per quarter
		4950 parking fines issued per quarter
		3300 speed fines issued per quarter
		100% action taken vs alarm alerts logged per quarter
		70% action taken vs registered complaints
		Policy Guidance - Updated register and publishing of all policies on data storage device per quarter
		Updating of Municipal Code -80% of Policies referred to relevant departments for revision per quarter
		Weekly circulation of government gazettes to relevant departments - 1 report per quarter
		Completion of contracts within 60 days after Tender Adjudication Committee resolution - 1 report per quarter
		Keeping of hall rental registers - 90% evidence in terms of bookings / requests for use per quarter
		Documentation of alienation/ leasing of Council property in register -90 % of applications in register tabled to council within 60 days
		Keeping of archive and records compliant with legislation - Updated approved file plan in line with legislation by 30 Sept 2013
		90% Execution of cleaning plan per quarter
		Update Municipal Valuation Roll through Interim Valuation by 31/03/2014
		Maintain Municipal Valuation Roll on Municipal Financial System - Update IVR into Financial System by 31/05/2014
		90% Execution of instructions in relation of Senior Management meeting pertaining to the office of the Municipal Manager per quarter
		Ward based planning training session by 31 Oct 2014
		Maintenance of organisational structure - 100% requests completed per quarter
		100% Execution of approved annual operational Internal Audit Plan per quarter
		100% execution of risk assessment annual plan activities per quarter
		100% of Councillors subsistence and travel allowances processed
		14 Ward Committee Established by 30/09/2013
		Execution 2 National calendar special events per quarter
Good Governance and Customer Care	Manage and maintain municipal property, plant, equipment and vehicle fleet	Installation Maintenance - Execute maintenance plan : 95% adherence to installation maintenance plan
		90% vehicles and equipment serviced within 90 days
		Monthly reporting on economic, effective and efficient fleet management
		Monthly reports on the administering and maintenance of the vehicle satellite system

		The administering of licensing and roadworthiness : 100% vehicles which to be licensed and roadworthy per quarter
		The handling of accident reports : 90% of accident reports completed per quarter
		The keeping of a database on drivers licenses and PDP's : 90% of personnel with access to municipal fleet per quarter
Good Governance and Customer Care	Provide equal access to sport, park, recreational facilities and other public amenities to all residents	13500 material issued to Paballelo Library by 30 June 2014
		13500 material issued to Forum Library by 30 June 2014
		62 000 material issued to Main Library by 30 June 2014
		4 800 material issued to Rosedale Library by 30 June 2014
		Swimming Pools : 95% Execution of maintenance plan per quarter
		Turf Maintenance (Parks & Cemeteries) : 95% Execution of maintenance plan per quarter
		Execute pruning program : 95% Execution of maintenance plan per quarter
		Trees felled when required - 95% of requests executed per quarter
		Conduct turf Maintenance (Sports grounds) : 95% Execution of maintenance plan per quarter
		Keeping of cemetery registers as per legislation : 100% updated register per quarter
		Maintenance of cemeteries as per maintenance programmes : 95% Execution of maintenance plan per quarter
		Recreation plan : 90% execution of quarterly program
		Playground equipment : 95% OHS compliant per quarter
Good Governance and Customer Care	Pro-active prevention, mitigation, identification and management of environmental health, fire and disaster risks	80% of Call-outs responded to within the required response times per quarter
		80% Maintenance of fire vehicles and equipment as per maintenance programme and legislation per quarter
Good Governance and Customer Care	Promote and improve public relations through stake holder participation and good customer service	Internal telephone utilisation control : Quarterly report to verify telephone printouts
		Call centre operations : 80% of complaints handled by the call centre per quarter
		Administration of client queries and compliments : 80% of queries attended to within 7 days
Output Indicators: Service Delivery Perspective		
Land Management	Manage the development of sustainable land use, economic, spatial and environmental planning according to predetermined acceptable levels	Monthly Submission of Building Stats to Stats SA

Service Delivery and Infrastructure Delivery	Develop, manage and maintain essential bulk water infrastructure and facilities to accomodate the aspirations, needs and pressures of present and future industries, businesses and dependent communities	Upgrading of AH September Water Treatment Works - R10,076,405.00 : % progress and budget spend as per quarterly target
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary road, transport and storm water infrastructure and facilities required to improve transportation in and aesthetic qualities of urban areas	Connection Road between Rosedale and Paballelo - R14,271,328.00 : % progress and budget spend as per quarterly target
		Improvement of Road Safety of Schröder Street by the provision of early warning height restriction structures, provision of pedestrian walkways and elimination of stormwater problems : % progress and budget spend as per quarterly target
		Extension of Louisvale Road Sewerage Works - R4,390,000.00 : % progress and budget spend as per quarterly target
		Enlarge main sewerage drainage line - R6,862,280.00 : % progress and budget spend as per quarterly target
		Upgrading of AH September Water Treatment Works - R10,076,405.00 : % progress and budget spend as per quarterly target
		Provide water on occupied residential sites - R300,000.00 : % progress and budget spend as per quarterly target
		Replace worn-out water pipelines - R300,000.00 : % progress and budget spend as per quarterly target
Service Delivery and Infrastructure Delivery	Provide for sustainable human settlements (housing)	Review and Approval Sector Plan by 30 June 2014
		Construction of 150 Rental Units by 30 June 2014
Service Delivery and Infrastructure Delivery	Provide, manage and maintain essential infrastructure required to improve electricity provision	Conventional Meters - 95% of reported meters investigated
		Electrification of New Developments: 350 Connections in Rosedale North - R2,649,297.00 - % progress and budget spend as per quarterly target
		Electrification of New Developments: 375 Connections in Paballelo - R6,623,437.00 - % progress and budget spend as per quarterly target
		Electrification of New Developments: 324 Connections in Smartie Valley - R5,722,480 - % progress and budget spend as per quarterly target
Service Delivery and Infrastructure Delivery	Regulate and manage waste disposal to prevent pollution of the natural environment and natural resources	Clean environment/job creation campaign - 14 campaigns per quarter
		Inspections at health care waste generators - 90% of health care waste generators complying to legislation per quarter
		Safe food premises - 70% of formal food premises complying to health legislation with COA's per quarter
		Safe food premises - 80% of informal food premises complying to health legislation with COA's per quarter

		150 Safe Water samples per quarter
		Informal traders - 60% of registered informal traders complying with health legislation
		Anti-litter campaigns - 9 visits to school per annum
		1 Health campaign per quarter
		Maintain refuse dumping site as per permit - 1 valid permit per quarter
		Eradication of Bucket system
Local Economic Development	Create an environment that promotes the development of a diversified and sustainable economy	Enhancement of business relations - Quarterly report on implemetation of relevant needs to LED Forum members
		Enhancement of business relations - Quarterly report on implemetation on assistance to HDI's
		Reviewed LED Strategy by 31/08/2013
		Quarterly LED Forum Meetings
		Business development - Quarterly report reflecting invitations to identified Businesses in relation of predetermined training needs
		Special Projects : Business Week report by 30 Sept 2013
		Annual analysis report on municipality's impact on the local economy : 450 Job opportunities created for BEE by 30 June 2014
Local Economic Development	Promote the development of tourist infrastructure that will enhance tourism	Tourism month event by 30/09/2013
		Tourism Forum support : Quarterly report on implemetation of relevant needs to Tourism Forum members
		Business development - Quarterly report reflecting invitations to identified Businesses in relation of predetermined training needs
		1500 Visitors to info office by 30 June 2014
Financial Viability	Enable and improve financial viability and management through well structured budget processes, financial systems and MFMA Compliance	Billing administration - >90% of water meters read as a % of total water meters per quarter
		Billing administration - >95% of electricity meters read as a % of total electricity meters per quarter
		Billing administration - >95% of electricity meters read as a % of total electricity meters per quarter
		Billing administration - Report on consumer debtors to Council (schools, contract debtors, churches, government departments) : quarterly report
		Debtors administration - Payment % of current financial year (levied / payments)
		Debtors administration - Debtors Test = (Gross Debtors / Total Revenue from Rates and Services) x 365 Days
		Debtors administration - Current debtors as a % of total outstanding debtors
		External Loans Register - Maintained Loans Register per quarter

		External Loans Register - 0% Principal repayments not honoured as a percentage of total loan repayment commitments per quarter
		External Loans Register - 0% Principal repayments not honoured as a percentage of total loan repayment commitments per quarter
		Prepare budget process plan - Approved budget process plan for 2014/2015 by 31/08/2013
		Financial Plan - Approved Financial Plan for inclusion in the draft IDP by 30/11/2013 and approved IDP by 31/05/2014
		Compilation of Budget - Draft Budget by 31/03/2014 and approved Budget by 31/05/2014
		Compilation of Budget - 2013/2014 Approved Adjustment Budget by 28/02/2014
		Compilation of Budget - 2012/2013 Roll-overs to 2013/2014 Roll-over Capital Budget by 31/08/2013
		Overall Budget control - Monthly sec 71 Reports and C Schedules to National Treasury and Provincial Treasury
		Overall Budget control - Monthly sec 71 Reports and C Scedulesto Financial Viability Committee / Executive Committee / Council
		Overall Budget control - Mid year sec 72 Budget Assessment Report by 25/01/2014
		36 Bank reconciliations per quarter
		Creditors payment administration - Creditors older than 30 days as a % of total turnover (budgeted expenditure - opex & capex) : <0.25% (Monthly)
		Creditors payment administration - No of outstanding creditors payment queries needing corrective actions as a % of total creditor payments : <0.25% (Monthly)
		Administer supply chain policy - Monthly report of orders issued compliant with SCM policy, procedures, delegations and signing powers as well as deviations from SCM policy
		Administer supply chain policy - Quarterly report on tenders awarded
		Administer supply chain policy
		Maintenance of vendor database - Compliance with regulations/policy - Request in writing and through an advertisement process present and prospective vendors to register / re-register on database by 31/10/2013
		Manage Resorts Maintenance Budget : 5% deviation of actual expenditure vs maintenance budget by 30 June 2014
Institutional Transformation	Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Environmental Health services performance - 3 reports to District Municipality per quarter
		Evidence that the approved Organisational Structure is aligned with the HR System
		100% Execution of EE plan by 31 Dec 2013
		Local Labour Forum administration - 1 meeting scheduled per quarter

		Revision of induction manual by 30 June 2014
		Compiled and approved Workplace Skills Plan as per legislation by 30 June 2014
		95% execution of WSP per quarter
		Develop succession plan - approved plan by 30 Sept 2013
		Policy management - 95% of policies reviewed by June 2014
		Software license database - Updated register per quarter
		Training interventions - 3 specialized GRAP training sessions per quarter
		Required information submitted for compilation of Performance Report by 31 August 2013
		Report of proof that annual verification of assets took place by 30/06/2014
		Assets insurance administration - Issued policy by 01/07/2013
		Assets insurance administration - Quarterly report % of insurance claims incidents not concluded
		Managing procurement and issuing of stock - <5% of items below the required stock levels
		Managing procurement and issuing of stock - Monthly report on monetary value of stock not moving as a % of total stock
		Managing procurement and issuing of stock - Monthly report on monetary value of stock not moving as a % of total stock
		Managing procurement and issuing of stock - Report on annual stock take by 30 June 2014
		Managing procurement and issuing of stock - Approved yearly tender for general and electrical supplies through competitive bidding process by 01/09/2013
		Annual review of PMS framework by 30 June 2014
		Compilation and approval of Section 72 Report by 25/01/2014
		Compilation and submission of Section 46 report by 31/08/2013
		SDBIP Quarterly Reports
		Co-ordinate compilation and approval of SDBIP 28 days after Budget was approved
Good Governance and Customer Care	Facilitate the establishment of good governance practices	Required information submitted for compilation of Annual Report by 31/12/2013
		80% of assigned council resolutions executed by end of each quarter
		Render a security service pertaining to by-laws - 3 reports per quarter
		100% Execution of approved law enforcement operational plan (Crime Prevention) per quarter
		100% Execution of approved security operational plan per quarter

		Access control to main building - zero incidents reported per quarter
		Safeguarding of cash in Transit - 3 random samples in terms of prescribed equipment per quarter
		Render a security service pertaining to municipal assets - 3 reports per quarter
		Annual Report compiled and approved by 31 March 2014
		3 Reports on legal supporting services rendered to municipal departments per quarter
		External correspondence registration - 1 updated register per quarter
		Administrative calender for committee and council meetings compiled, approved and distributed by 30 June 2014
		Committee and council resolution monitoring - 95% of resolutions distributed per quarter
		Render support service to Council, Executive Committee and Portfolio Committees - 77 minutes of meetings (49 signed) per annum
		Required information submitted for compilation of Annual Report to Auditor General by 31/10/2013
		Develop new policies, By-Laws and procedures - 100% updated register by 31/05/2014
		Review policies, By-Laws and procedures - 100% updated register by 30/06/2014
		Reviewed and approved Municipal Property Rates Policy and By-Law by 31/05/2014
		Reviewed and approved Cust. Care, Credit Control, Debt Col. and Ind. Household Policy and By-Law by 31/05/2014
		Reviewed and approved Write-Off of Irrecoverable Debt Policy by 31/05/2014
		Reviewed and approved Supply Chain Management Policy by 31/05/2014
		Reviewed and approved Asset Management Policy by 31/05/2014
		Reviewed and approved Investment Policy by 31/05/2014
		Free Basic Services - Number of households earning less than the amount approved by Council (2x old age pension allowance per month) with access to free basic services per quarter
		Free Basic Services - Number of indigent households as a % of total households per quarter
		Compilation of Annual Financial Statements - Approved Audit Plan for 2012/2013 audit - MFMA compliance by 30/06/2014
		Compilation of Annual Financial Statements - Timeous completion and submission of 2012/2013 AFS as per MFMA by 31/08/2013
		Compilation of Annual Financial Statements - Timeous completion of 2012/2013 audit particulars file as per audit plan by 31/08/2013

		Compilation of Annual Financial Statements - Timeous completion of 2012/2013 audit particulars file as per audit plan by 31/08/2013
		Quality of Annual Financial Statements and Audit File particulars - Reduction of financial related exceptions to 50 by 30/11/2013
		Auditing process - < 5% of financial related audit exceptions not answered as a % of total audit exceptions by 30/11/2013
		Auditor General Report - Timeous submission of financial related comments on the findings of the 2012/2013 AG Report by 15/01/2014
		Auditor General Report - Compile an Audit Outcome Recovery Plan for 2012/2013 AG Report (financial related matters) and implement it by 15/01/2014
		Auditor-General Report - Reduce other matters (financial related) in 2011/2012 disclaimer to five other matters (2012/2013 unqualified report) by 30/11/2013
		Review of WSP : WSP approved and submitted by 31 December 2013
		IDP Review - Approved Process Plan by 01/08/2013
		IDP Review - Reviewed Draft IDP by 31/03/2014
		Reviewed IDP by 30/06/2014
		Submission of Draft IDP to COGHSTA, Provincial and National Treasury by 5/04/2014
		Submission of Reviewed IDP to COGHSTA, Provincial and National Treasury by 5/07/2014
		Advertisement of the Draft IDP and Reviewed IDP : Draft - 30/09/2013 Approved - 30 June 2014
		Audit Committee : Quarterly meetings scheduled
		Approved Risk based 3 year rolling plan and annual operational plan by 30 June 2014
		Auditing of performance information : Quarterly Audit reports
		Effective functioning of Risk Management Committee : Quarterly meetings scheduled
		Approved Risk Management implementation plan by 30 June 2014
		Execution of 7 special events per annum
		33 Ward based committee meetings per annum
		Ward committee induction session by 30/09/2013
		124 Ward committee meetings per annum
		Monthly reports reflecting coordination of Ward Committee documents for submission to finance before the 15th of each month
		Scrutinizing of Ward Committee minutes for referral of requests to relevant departments : 100% requests referred
		Quarterly Report on CDW functioning

		Non allocated ward projects - R100,00.00 : Quarterly reports indicating % progress and budget spend - 4 reports / annum
		Monthly report reflecting access control
		Reviewed and approved Tariff Policy and By-Law by 31/05/2014
Good Governance and Customer Care	Manage and maintain municipal property, plant, equipment and vehicle fleet	Additional office Buildings (Head Office) - R966,271 : 100% completed and R966,271 spend by 30 June 2014
		Upgrading of wiring at Progress Civic - R250,000 : 100% completed and R250,000 spend by 30/09/2013
Good Governance and Customer Care	Provide equal access to sport, park, recreational facilities and other public amenities to all residents	Development of Park Kalksloot - R100,000 : % progress and budget spend as per quarterly target
		Development of Park Kameelmond - R40,589 : % progress and budget spend as per quarterly target
		Development of Park Leerkrans - R100,000 : % progress and budget spend as per quarterly target
		Development of Park Leseding - R50,000 : % progress and budget spend as per quarterly target
		Development of Park Milleniumpark Erf 19807 - R50,000 : % progress and budget spend as per quarterly target
		Development of Park Ntsikilelo - R50,000 : % progress and budget spend as per quarterly target
		Development of Park Raaswater - R100,000 : % progress and budget spend as per quarterly target
		Development of new Sportsground Lambrechtsdrift - R977,699 : % progress and budget spend as per quarterly target
		Development of new Sportsground Ntsikilelo - R33,591 : % progress and budget spend as per quarterly target
		Development of new Sportsground Louisvale Dorp - R1 443,354 : % progress and budget spend as per quarterly target
		Ablusionblock at Karos Cemetery and store - R160,000 : % progress and budget spend as per quarterly target
		Extention of Cemetery at Kameelboom and Store - R150,000 : % progress and budget spend as per quarterly target
		Extention of Cemetery at Keidebees - R250,000 : % progress and budget spend as per quarterly target
		Extention of Cemetery at Paballelo - R150,000 : % progress and budget spend as per quarterly target
		Water connections to Karos Cemetery - R80,000 : % progress and budget spend as per quarterly target
Good Governance and Customer Care	Pro-active prevention, mitigation, identification and management of environmental health, fire and disaster risks	Annual performance report to Fire protection association by 31 March 2014
		12 Monthly Reports on incidences at Call centre
		2 Public simulations conducted by 30 June 2014

		Monthly Emergency Services function report to Director, and District Municipality
		9 fire prevention awareness campaigns conducted per quarter
		Annual review of Disaster Management plan by 30 Sept 2013
		Annual Report on Disaster Management activities to Council, District, Provincial Department by 30 June 2014
		11 Sectoral stakeholder meetings by 30 June 2014
		4 interactions with other governmental institutions (PDMC) by 30 June 2014
		Quarterly Report on Disaster Management Activities
Good Governance and Customer Care	Promote and improve public relations through stake holder participation and good customer service	1 intervention achieved with external stakeholders per quarter
		1 intervention achieved with external stakeholders per quarter
		1 intervention achieved with external stakeholders per quarter
		1 Client service training session per quarter
		1 Client service training session per quarter
		Compile and implement a service charter by 30 June 2014
		Review Integrated Client Service plan by 30 June 2014
		Customer care improvement : Annual Customer satisfaction survey by 30/09/2013
		Communication Forum meetings - 3 meetings scheduled per quarter
		Writing of speeches - 3 speeches per quarter
		Municipal website - 3 updates per quarter
		Updated Media Policy by 30/09/2013
		Ulwazi - 1 newsletter per quarter
		The Resident - 3 issues per quarter
		Establish and maintain a communication strategy by 30/09/2013
		Die Werker - 3 issues per quarter
		"Uit die Raadsaal" community radio programme - 22 programmes per annum
		Batho Pele Interventions - 2 interventions per quarter
		Press Releases - 4 releases per quarter
		Media coverage - 4 articles per quarter
		Media and Communications Committee - 3 meetings scheduled per quarter
Outcome Indicators: Municipal Development Perspective		
Service Delivery and Infrastructure Delivery	Develop, manage and maintain necessary infrastructure and facilities required to improve the provision of water services	Ensure minimum drinking water quality standards compliant with SANS 241 : 60% of samples meeting minimum biological standards by 30 June 2014

Local Economic Development	Promote the development of tourist infrastructure that will enhance tourism	57000 Occupancy rate of chalets and caravan sites by 30 June 2014
Financial Viability	Enable and improve financial viability and management through well structured budget processes, financial systems and MFMA Compliance	90% of MIG funds spent by 30 June 2014
Institutional Transformation	Align institutional arrangements to provide an effective and efficient support service to deliver on organisational objectives	Reviewed and approved Employment Equity Plan as per legislation by 30 Sept 2013
		100% Disciplinary hearings completed within 3 months
Good Governance and Customer Care	Facilitate the establishment of good governance practices	R20,625 Income generated from Parking meters per quarter
		R715,000 income generated for motor vehicle registration (e-Natis) per quarter
Good Governance and Customer Care	Manage and maintain municipal property, plant, equipment and vehicle fleet	The administering of logbooks to determine effective usage : 95% of logbooks captured

The Annual Performance Report is attached as part of Volume 3.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The Organizational Structure was reviewed on 31 January 2014 by Council to increase the Directorates from four to six. The Directorate Infrastructure Development was split into three Directorates namely A) Electro-Mechanical Services, B) Development and Planning and C) Civil Engineering Services. Re-allocation of other functions was also part of the review to streamline the operations of the Office of the Municipal Manager. Management retained a healthy relationship with employees by meeting on a quarterly basis with the two recognized labour unions on the Local Labour Forum.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	2012/2013	2013/2014			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	39	47	43	0	0%
Waste Water (Sanitation)	20	20	20	0	0%
Electricity	32	35	35	0	0%
Waste Management	39				
Housing	11	11	11	0	0%
Waste Water (Stormwater Drainage)	51	28	28	0	0%
Roads		26	26	0	0%
Transport	0				
Planning		10	10	0	0%
Local Economic Development	47	6	7	0	0%
Planning (Strategic & Regulatary)	20				
Community & Social Services	42				
Enviromental Proctection	176	10	10	0	0%
Health	7	9	3	0	0%
Security and Safety	132				
Sport and Recreation	36	2	2	0	0%
Corporate Policy Offices and Other	175				
Totals	**848**	**204**	**0**	**–**	**–**

T4.1.1

Vacancy Rate: 2013/14			
Designations	***Total Approved Posts** **No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents)** **No.**	***Vacancies (as a proportion of total posts in each category)** **%**
Municipal Manager	1	0	0.00
CFO	1	0.32	32.00
Other S57 Managers (excluding Finance Posts)	3	0.08	2.67
Other S57 Managers (Finance posts)	0	0	0.00
Fire fighters	42	2	2.00
Senior management: Levels 13-15 (excluding Finance Posts)	25	0.24	0.96
Senior management: Levels 13-15 (Finance posts)	6	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	3.16	9.03
Highly skilled supervision: levels 9-12 (Finance posts)	8	0	0.00
Total	**121**	**5.8**	4.79
			T4.1.2

Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year** **No.**	**Terminations during the Financial Year** **No.**	**Turn-over Rate***
2011/2012	802	59	7.36%
2012/2013	858	49	5.71%
2013/2014	848	62	7.31%
			T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

All funded vacancies were filled within the financial year. Two new posts of Senior Managers were approved on 31 January 2014 which will be filled in the new financial year (2014/ 2015).

The turn-over rate increase form 5.71 in 2012/ 2013 to7.31% % in 2013/2014.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Manager held meetings with all employees in the six directorates to explain service delivery objectives and priorities. The municipality complied with all collective agreements and all core policies are in place. Monthly meetings of managers and supervisors took place to discuss workforce management issues. Local Labour Forum meetings took place on a quarterly basis where polies and agreements were discussed.

T4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	**Completed %**	**Reviewed %**	**Date adopted by council or comment on failure to adopt**
1	Affirmative Action			Not developed
2	Retention of scarce skills	100%	0%	10/03/2010
3	Code of Conduct for employees	0%	0%	Code of conduct in MSA is used.
4	Delegations, Authorisation & Responsibility	100%	100%	29/05/2012
5	Disciplinary Code and Procedures	0%	0%	Collective Agreement of SALGBC in place
6	Essential Services	50%		Negation with unions not completed
7	Employee Assistance / Wellness	0%	0%	Not developed
8	Employment Equity	100%	100%	26/05/2012
9	Exit Management	0%	0%	Not developed
10	Grievance Procedures	0%	0%	Collective agreement in place
11	HIV/Aids	100%	80%	To be approved Council September 2013
12	Human Resource and Development	100%	0%	2008 & 2009
13	Information Technology	100%	100%	29/08/2005
14	Job Evaluation	0%	0%	Not developed
15	Leave	0%	0%	Collective agreement in place
16	Occupational Health and Safety	100%	90%	Review to be tabled at LLF 31/03/2003
17	Official Housing	100%	0%	27/01/2003
18	Official Journeys	100%	100%	
19	Official transport to attend Funerals	0%	0%	Not developed
20	Official Working Hours and Overtime	100%	1-Jan-00	01/05/2012

21	Organisational Rights	0%	0%	Collective agreement in place
22	Payroll Deductions	100%	1-Jan-00	01/05/2013
23	Performance Management and Development	100%	0%	01/07/2009
24	Recruitment, Selection and Appointments	100%	0%	25/11/2008
25	Remuneration Scales and Allowances	100%	100%	01/06/2013
26	Resettlement	100%	0%	25/11/2008
27	Sexual Harassment	100%	0%	29/04/2003
28	Skills Development	0%	0%	
29	Smoking	100%	0%	26/05/2003
30	Special Skills	0%	0%	Not developed
31	Work Organisation	100%	0%	02/07/2007
32	Uniforms and Protective Clothing	100%	1-Jan-00	
33	Other:			
				T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

New collective agreements were signed and Council Policies were amended to be aligned with new collective agreements. Implementation of most of the policy changes contained in the new Collective Agreement on Conditions of Service in the Northern Cape which came into effect on 1 October 2013 took place. Quarterly LLF meetings were held to consult on policy matters.

T4.2.1.1

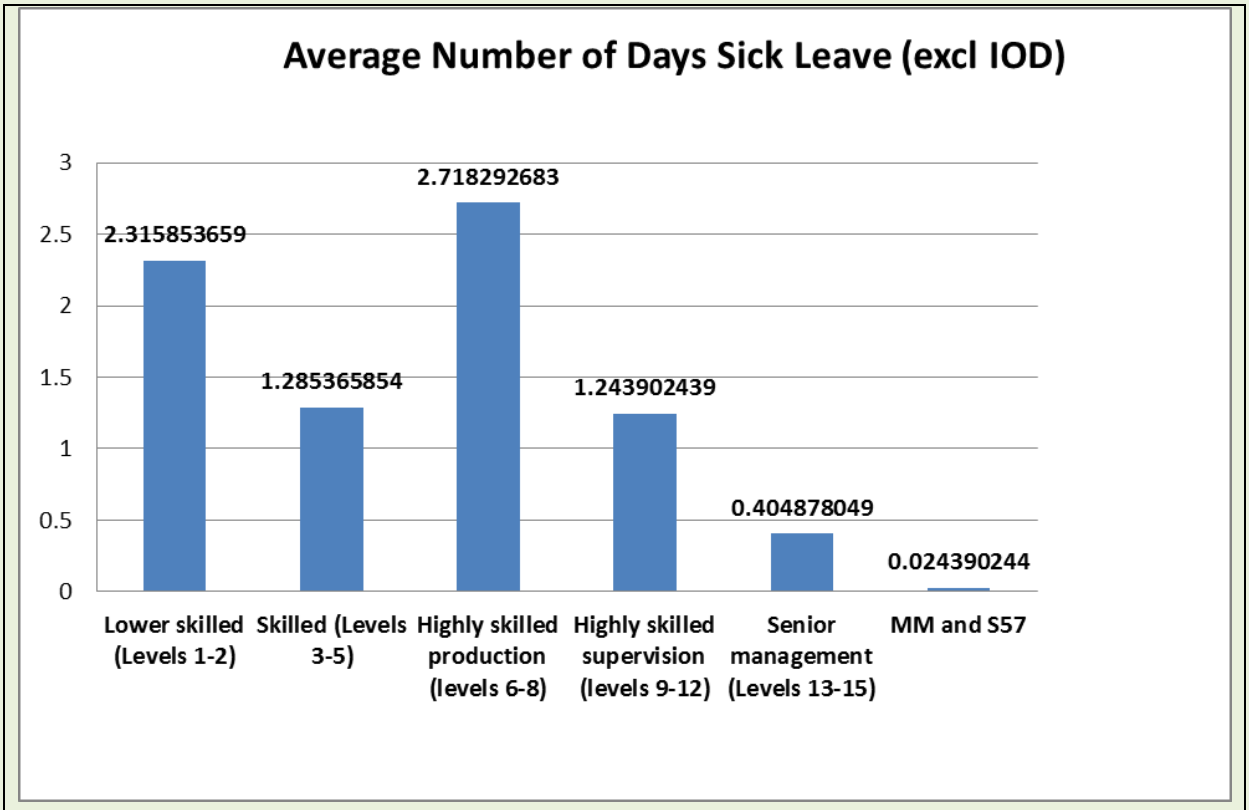
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	**Injury Leave Taken** Days	**Employees using injury leave** No.	**Proportion employees using sick leave** %	**Average Injury Leave per employee** Days	**Total Estimated Cost** R'000
Required basic medical attention only	445	20	4.49%	89	321781.94
Temporary total disablement	0	0		0	
Permanent disablement	0	0		0	
Fatal	0	0		0	
Total	445	20	4.49%	89	321781.94
					T4.3.1

Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	1899	87%	216	334	2.32	539824
Skilled (Levels 3-5)	1054		101	99	1.29	425218
Highly skilled production (levels 6-8)	2229		189	241	2.72	1250923
Highly skilled supervision (levels 9-12)	1020	95%	101	113	1.24	954915
Senior management (Levels 13-15)	332		21	27	0.40	465027
MM and S57	20		6	6	0.02	66198
Total	**6554**	**91%**	**634**	**820**	7.99	**3702105**

** - Number of employees in post at the beginning of the year*
**Average is calculated by taking sick leave in colunm 2 divided by total employees in colunm 5*

T4.3.2



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

No fatal accidents occurred in the work place. The municipality complied with the requirements of the Occupational Health and Safety Act. Training was provided to employees who work in confined spaces. Employees working with chemicals and those that are exposes to sewerage were sent form medical testing. Workers who became permanently incapacitated were assisted to apply to the pension funds for disability benefits.

T4.3.4

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
Senior Clerk	Abusive Language	2014/01/10	Dismissed	2014/03/31
Clerk	Theft	2014/06/23	Hearing pending	
Traffic Officer	Under influence of alchol	2014/04/04	Hearing pending	
				T4.3.5

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Two employees were suspended for fraud and theft. One was dismissed and the other case is not yet finalised.

T4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2013/14 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female	2	2	100788	100%
	Male	3	3	115186	100%
Total		5	5		
Has the statutory municipal calculator been used as part of the evaluation process?					Yes
					T4.4.1

COMMENT ON PERFORMANCE REWARDS:

Performance rewards to the amount of R215 975.91were approved for performance in the 2012/ 2013 financial year. Performance awards are in terms of the Performance Frame Work limited to Section 56 Managers and the Municipal Manager.

T4.4.1.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The main focus for the year was compliance with the Minimum Competency Regulations for Senior and Middle Managers. For this purpose twenty seven managers were enrolled and completed the Municipal Finance Management Programme. To improve the capacity of Water- and Sewerage Purification units, fourteen learners were enrolled in Water and Sewerage Treatment Learnership.

T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2013/2014	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 2012/2013	Actual: End of Year 2013/2014	Target	Actual: End of Year 2012/2012	Actual: End of Year 2013/2014	Target	Actual: End of Year 2012/2013	Actual: End of Year 2013/2014	Target	Actual: End of Year 2012/2013	Actual: End of Year 2013/2014	Target
MM and s57	Female	1	5	1	1					1	1		2	2
	Male	3	5	1	1					1	1		2	2
Councillors, senior officials and managers	Female	15	2				1			11	3		12	3
	Male	17	3	1	3		2			15	4		18	7
Technicians and associate professionals*	Female	7	4							2	2		2	2
	Male	79	8				1			17	9		18	9
Professionals	Female	14	8	2	2		2			3	6		7	8
	Male	15	6	2	3		1			11	2		2	2
Sub total	Female	37	19	3	3		3			17	12		23	15
	Male	114	22	4	7		4			44	16		40	20
Total		151	41	7	10		7	0		61	28		63	35
*Registered with professional Associate Body e.g. CA (SA)														T4.5.1

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	0	0
Chief financial officer	1	0	1	0	0	1
Senior managers	3	0	3	0	0	2
Any other financial officials	2	0	2	0	0	2
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	**8**	**0**	**8**	**0**	**0**	**5**

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)* T4.5.2

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2013/2014							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1								
	Male	3								
Legislators, senior officials and managers	Female	15								
	Male	17								
Professionals	Female	14								
	Male	15								
Technicians and associate professionals	Female	7								
	Male	79								
Clerks	Female	92								
	Male	38								
Service and sales workers	Female	13								
	Male	85								
Plant and machine operators and assemblers	Female	8								
	Male	62								
Elementary occupations	Female	86								
	Male	272								
Sub total	Female	236								
	Male	571								
Total		807	0	0	0	0	0	0		501256
% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality spent about 1.1% of the value of salaries on Skills Development which is within the limits of the approved Work Place Skills Plan. The municipality enrolled twenty seven managers and Supply Chain Officials for the full Municipal Finance Management Programme, which is more than the unit standards that the Minimum Competency Regulations require.

T4.5.4

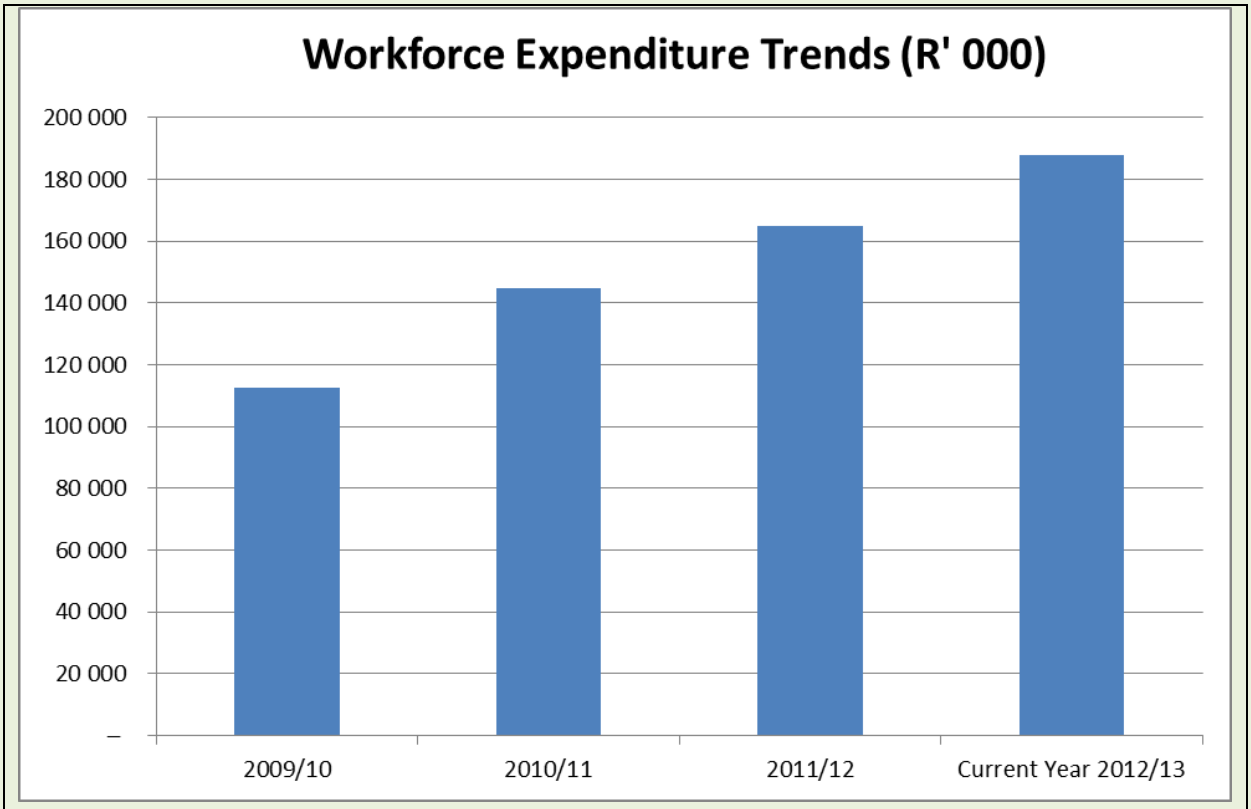
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Due to pressure for delivery of basic services especially clean water, there was a huge overspending on overtime of technical staff. The budget for remuneration of staff had to be adjusted to accommodate this over spending. The growth in informal settlements also forced the municipality to appoint more workers in the Environmental Services Division for removal of sanitation.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22 T4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

The Workforce Expenditure increased by **10.63%. The annual salary increase was 6.84%**. To address the demand for basic services at the growing numbers of houses in informal settlements, more workers had to be appointed. The workforce expenditure amounted to **34.5%** of the total Operational Budget.

T4.6.1.1

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No posts were upgraded during the year and there was no variance form normal practice.

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All directors and Councillors declared their financial interests as prescribed in the performance Regulation 805 of 2006.

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The Annual Financial Statements provides an overview of the financial performance of the Municipality for the year under review and focuses on the financial health of the Municipality as at year-end 30 June 2014.

T5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						R' 000
Description	2012/13	Current Year: 2013/14			2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	48 386	61 170	61 163	58 865	-3.9%	-3.9%
Service charges	270 589	311 679	302 006	316 156	1.4%	4.5%
Investment revenue	1 406	1 005	914	1 165	13.7%	21.5%
Transfers recognised - operational	68 530	64 764	68 373	68 748	5.8%	0.5%
Other own revenue	22 860	26 816	29 179	37 300	28.1%	21.8%
Total Revenue (excluding capital transfers and contributions)	411 771	465 434	461 635	482 234	3.5%	4.3%
Employee costs	180 587	194 753	199 752	199 547	2.4%	-0.1%
Remuneration of councillors	6 804	7 280	7 530	7 120	-2.2%	-5.7%
Depreciation & asset impairment	86 013	108 542	108 542	966	11133.1%	-11133.1%
Finance charges	13 985	15 369	15 628	15 822	2.9%	1.2%
Materials and bulk purchases	122 837	131 915	134 115	119 172	-10.7%	-12.5%
Transfers and grants	639	25 984	25 894	27 210	4.5%	4.8%
Other expenditure	111 188	101 166	86 885	87 059	-16.2%	0.2%
Total Expenditure	522 052	585 008	578 345	456 896	-28.0%	-26.6%
Surplus/(Deficit)	(110 281)	(119 574)	(116 710)	25 338	571.9%	560.6%
Transfers recognised - capital	41 224	37 044	73 032	49 646	25.4%	-47.1%
Contributions recognised - capital & contributed assets	–	–	–		0.0%	0.0%
Surplus/(Deficit) after capital transfers & contributions	(69 057)	(82 530)	(43 678)	74 984	210.1%	158.2%
Share of surplus/ (deficit) of associate	–	–	–	–	0.0%	0.0%
Surplus/(Deficit) for the year	(69 057)	(82 530)	(43 678)	74 984	210.1%	158.2%
Capital expenditure & funds sources						
Capital expenditure	70 679	65 815	147 268	94 255	30.2%	-56.2%
Transfers recognised - capital	41 204	37 044	73 032	52 819	29.9%	-38.3%
Public contributions & donations	–	–	–	–	0.0%	0.0%
Borrowing	30 890	26 271	71 861	40 098	34.5%	-79.2%
Internally generated funds	2 761	2 500	2 375	1 337	-87.0%	-77.6%
Total sources of capital funds	74 856	65 815	147 268	94 255	30.2%	-56.2%
Financial position						
Total current assets	83 283	46 814	63 137	67 648	30.8%	6.7%
Total non current assets	1 817 088	2 219 170	1 855 808	1 907 590	-16.3%	2.7%
Total current liabilities	148 302	114 367	137 392	157 650	27.5%	12.8%
Total non current liabilities	209 874	264 392	283 035	202 565	-30.5%	-39.7%
Community wealth/Equity	1 542 196	1 887 226	1 498 518	1 615 024	-16.9%	7.2%
Cash flows						
Net cash from (used) operating	22 939	24 664	80 685	92 522	73.3%	12.8%
Net cash from (used) investing	(73 566)	(57 815)	(142 762)	(90 873)	36.4%	-57.1%
Net cash from (used) financing	58 527	29 694	61 111	(5 106)	681.5%	1296.8%
Cash/cash equivalents at the year end	2 971	7 287	2 006	(607)	1300.4%	430.4%

Cash backing/surplus reconciliation						
Cash and investments available	2 971	11 287	2 006	(607)	1959.3%	430.4%
Application of cash and investments	32 708	31 294	40 564	45 003	30.5%	9.9%
Balance - surplus (shortfall)	(29 737)	(20 007)	(38 558)	(45 610)	56.1%	15.5%
Asset management						
Asset register summary (WDV)	1 817 060	2 219 170	1 855 786	1 907 567	-16.3%	2.7%
Depreciation & asset impairment	86 013	108 542	108 542	–	0.0%	0.0%
Renewal of Existing Assets	7 061	4 225	9 260	7 120	40.7%	-30.1%
Repairs and Maintenance	11 908	17 264	16 436	–	0.0%	0.0%
Free services						
Cost of Free Basic Services provided	22 671	25 274	25 394	26 879	6.0%	5.5%
Revenue cost of free services provided	24 725	27 455	27 575	29 017	5.4%	5.0%
Households below minimum service level						
Water:	-	-	-	-	n/a	n/a
Sanitation/sewerage:	7	4	4	-	n/a	n/a
Energy:	2	1	1	-	n/a	n/a
Refuse:	5	6	5	-	n/a	n/a

T5.1.1

Financial Performance of Operational Services

R '000

Description	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	280	(3 836)	(6 712)	18 998	120.19%	135.33%
Waste Water (Sanitation)	(2 771)	(7 983)	(8 630)	10 904	173.21%	179.15%
Electricity	19 186	34 816	44 734	77 636	55.16%	42.38%
Waste Management	(4 435)	(5 123)	(4 951)	6 668	176.83%	174.25%
Housing	(3 078)	(3 296)	(1 317)	(3 125)	-5.47%	57.86%
Component A: sub-total	**9 181**	**14 578**	**23 124**	**111 081**	**86.88%**	**79.18%**
Roads	(41 220)	(65 032)	(64 412)	(16 634)	-290.96%	-287.24%
Component B: sub-total	**(41 220)**	**(65 032)**	**(64 412)**	**(16 634)**	**-290.96%**	**-287.24%**
Planning and development	(10 006)	(11 988)	(10 903)	(10 795)	-11.06%	-1.00%
Component C: sub-total	**(10 006)**	**(11 988)**	**(10 903)**	**(10 795)**	**-11.06%**	**-1.00%**
Community & Social Services	(7 345)	(7 430)	(7 877)	(7 024)	-5.77%	-12.14%
Health	(3 691)	(4 031)	(3 646)	(3 343)	-20.57%	-9.05%
Public safety	(15 858)	(15 870)	(19 259)	(15 949)	0.49%	-20.76%
Sport and Recreation	(12 409)	(34 629)	(33 877)	(24 703)	-40.18%	-37.14%
Corporate Policy Offices and Other	12 291	41 872	73 173	40 572	-3.20%	-80.35%
Component D: sub-total	**(27 013)**	**(20 089)**	**8 513**	**(10 448)**	**-92.27%**	**181.48%**
Total Expenditure	**(69 057)**	**(82 530)**	**(43 678)**	**73 205**	**(0)**	**(0)**

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

Council did not succeed to realise the budgeted property rates revenue for the 2013/2014 financial year. 3.9% of the budgeted property rates revenue was not realised. We realised 4.5% more of the budgeted revenue from service charges, we realised in total R316 156 308. Investment revenue was 13.7% more than the budgeted revenue. The total revenue realised by Council was 4.3% more than the budgeted revenue as per the 2013/2014 Adjustments budget.

The total operating expenditure incurred for the 2013/2014 financial year was R 456 896 087 or 79% of the adjusted operational expenditure budget of R 578 344 930. The highest category of expenditure was employee costs that constituted 43.67% of the total operational expenditure. Materials and bulk purchases was the second highest category of operational expenditure, 26.08% of the total operational expenditure.

Council realised a surplus of R25 337 777 before capital transfers are recognised. It needs to be mentioned that these figures are subject to change as the 2013/2014 annual financial statements are not completed yet and the abovementioned figures are not yet final.

T5.1.3

5.2 GRANTS

Grant Performance						
						R' 000
Description	2012/13	2013/14			Year 1 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
- **Operating Transfers and Grants**						
National Government:	**55 286**	**61 334**	**62 011**	**62 011**	**1%**	**0%**
Equitable share	52 652	53 914	53 914	53 914	0%	0%
Municipal Systems Improvement	562	890	890	890	0%	0%
Finance Management	1 160	1 550	1 550	1 550	0%	0%
EPWP Incentive	–	123	123	123	0%	0%
Integrated National Electrification Programme	–	1 093	1 770	1 770	62%	0%
Municipal Infrastructure Grant	912	3 764	3 764	3 764	0%	0%
Provincial Government:	**8 014**	**3 430**	**5 741**	**17 661**	**415%**	**208%**
Health subsidy	1 104	1 275	1 275	–	-100%	-100%
Housing	6 313	1 500	3 811	17 006	1034%	346%
Art and Culture	597	655	655	655	0%	0%
District Municipality:	**–**	**–**	**–**	**–**	**n/a**	**n/a**
Other grant providers:	**214**	**–**	**217**	**217**	**#DIV/0!**	**0%**
SETA Training Subsidy	182	–	–	–	#DIV/0!	#DIV/0!
Other Grant Providers	32	–	217	217	#DIV/0!	0%
Total Operating Transfers and Grants	**63 514**	**64 764**	**67 969**	**79 889**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Based on the above table, //Khara Hais Municipality does spend the MIG operational transfers effectively.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2012/13	Actual Grant 2013/14	2013/14 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
Not applicable	n/a	n/a	n/a	n/a	n/a	n/a
Foreign Governments/Development Aid Agencies						
Not Applicable	n/a	n/a	n/a	n/a	n/a	n/a
Private Sector / Organisations						
Fifa World Cup Legacy Programme	7 116	–	0	n/a	n/a	Football turf and club house at Paballelo
SANRAL	4 785	–	0	n/a	n/a	Entrance roads surrounding towns
COGHTA	4 177	–	0	n/a	n/a	Entrance roads surrounding towns
Duineveld High School	–	18	0	n/a	n/a	Pedestrian crossing at school
						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

For the 2013/2014 financial years, the municipality focused on minimizing the unspent grants that were not cash backed as at 30 June 2013. This was done by utilizing own funds to pay for these projects, while still ensuring that grants received in the 2013-2014 financial year was still spend on the projects that they were intended for.

Besides the above, the planning regime became more rigorous and tighter project management prevailed. The need for a greater security on budgets availability and the internal systems became more integrated and fluid. Where ever possible, dedicated project managers were assigned to projects. This allowed the project managers to oversee the daily functioning of the assets.

T5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is undertaken in terms of the MFMA and based on a comprehensive asset management policy. The Asset Management Policy provides direction for management to monitor, purchase, account, control and dispose of Assets (PPE, Investment Property, Intangible Assets, Heritage Assets) to ensure that:
There is full implementation of the approved Asset Management Policy as required in terms of section 63 of the MFMA.

* To verify assets in possession of the Council annually and during the course of the financial year.
* To keep a complete and balanced record of all assets in possession of the Council.
* To ensure the report in writing of all asset losses, where applicable.
* That assets are valued and accounted for in accordance with a statement of GRAP.
* That assets are properly maintained and safeguarded.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
ASSET 1				
Name	Connection Road between Rosedale and Paballelo			
Description	Building a connection road between two previously disadvantage suburbs (Paballelo and Rosedale)			
Asset Type	Road Infrastructure			
Key Staff Involved	Civil Engineers - Road Infrastructure			
Staff Responsibilities	Maintaining of steets after road is build			
	2010/2011	2011/2012	2012/2013	2013/2014
Asset Value	838 672	1 382 210	17 789 115	5 317 144
Capital Implications	Road must be maintained			
Future Purpose of Asset	To ensure that road surfaces within the municipality is of good standards			
Describe Key Issues	None at the moment			
Policies in Place to Manage Asset	Asset Management Policy, Maintenance Schedules			

ASSET 2				
Name	A H September Water Treatment Works			
Description	Upgrading of water treatment works - Increasing capacity			
Asset Type	Water Infrastructure			
Key Staff Involved	Cicil Engineers - Water Infrastructure			
Staff Responsibilities	Maintaing Water Treatment Works after upgrading is done			
	2010/2011	2011/2012	2012/2013	2013/2014
Asset Value	-	-	1 743 715	13 775 766

Capital Implications	Water Treatment works must be maintained
Future Purpose of Asset	To ensure that water treatment facilities within the municipality is of good standards
Describe Key Issues	None at the moment
Policies in Place to Manage Asset	Asset Management Policy, Maintenance Schedules

ASSET 3				
Name	Electrification projects of new Developments: 375 Connections In Paballelo			
Description	Electrifcation of individual person houses			
Asset Type	Electricity Infrastructure			
Key Staff Involved	Electro Mechanical Services - Eceltricity Distribution			
Staff Responsibilities	Maintaining Electricity Infrastructure to ensure safe electricity distribution			
	2010/2011	2011/2012	2012/2013	2013/2014
Asset Value	-	-	8 542 073	-
Capital Implications	Electricity Infrastructure must be maintained			
Future Purpose of Asset	To ensure that road surfaces within the municipality is of good standards			
Describe Key Issues	None at the moment			
Policies in Place to Manage Asset	Asset Management Policy, Maintenance Schedules			
				T5.3.2

COMMENT ON ASSET MANAGEMENT:

Connection road between Rosedale and Pabalello

- This project is funded through MIG and external loans. This is to build a connection road between two formerly disadvantage suburbs.

Electrification of new developments 375 houses in Pabalello

- This project is funded through INEP funds and external loans. This projects aims to install electricity at 375 informal settlements of indigent residents in Pabalello.

AH September Water Treatment Works

- This project is funded through MIG and external loans. This is to ensure the municipality has sufficient clean water producing capabilities in order to supply clean water to the residents of the municipality.

T5.3.3

Repair and Maintenance Expenditure: 2013/14				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	17 315	16 436	10 159	41.33%
				T5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

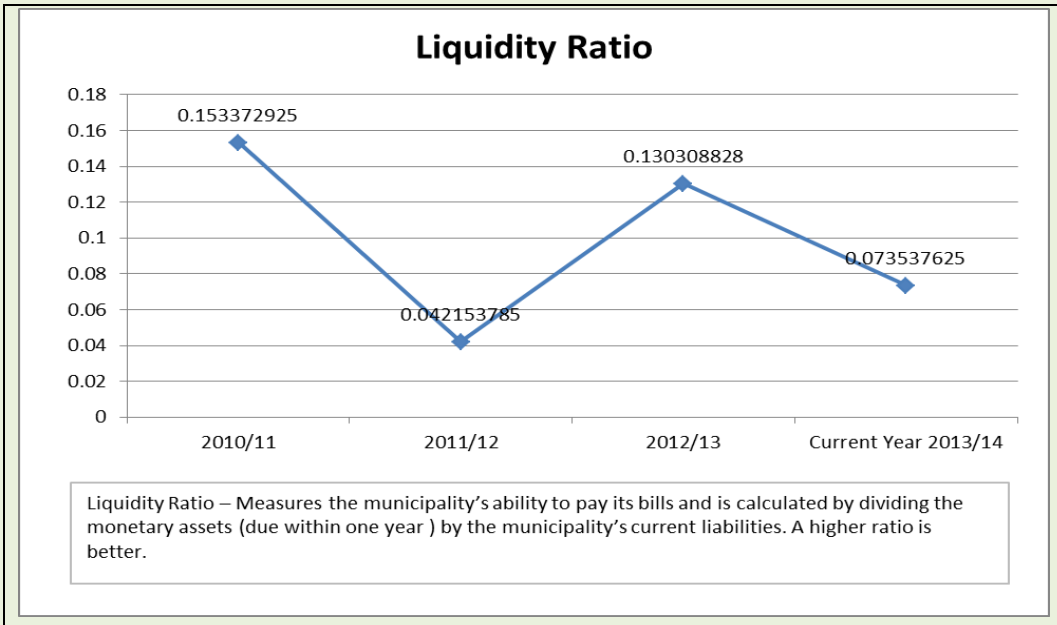
//Khara Hais Municipality underspent about 41.33% of its repairs and maintenance budget for the 2013/2014 financial year. This is due to better care taken of assets, that resulted in less repairs and maintenance of assets as well as stricter expenditure control that have been implemented in the 2013/2014 financial year.

Repairs and maintenance represents some less than 3% of total expenditure for 2013/14. This is below the industry norm of 6% to 8% however this excludes the related staffing costs of R & M which many municipalities include in their final reporting figure. Until such time as there are proper national guidelines on how to include these costs, the figures shown in previous tables are open for misinterpretation.

It is accepted that the figure should be increased as to ensure that the assets are sufficiently maintained, but it is at the discretion of the responsible Directors in terms of the MFMA.

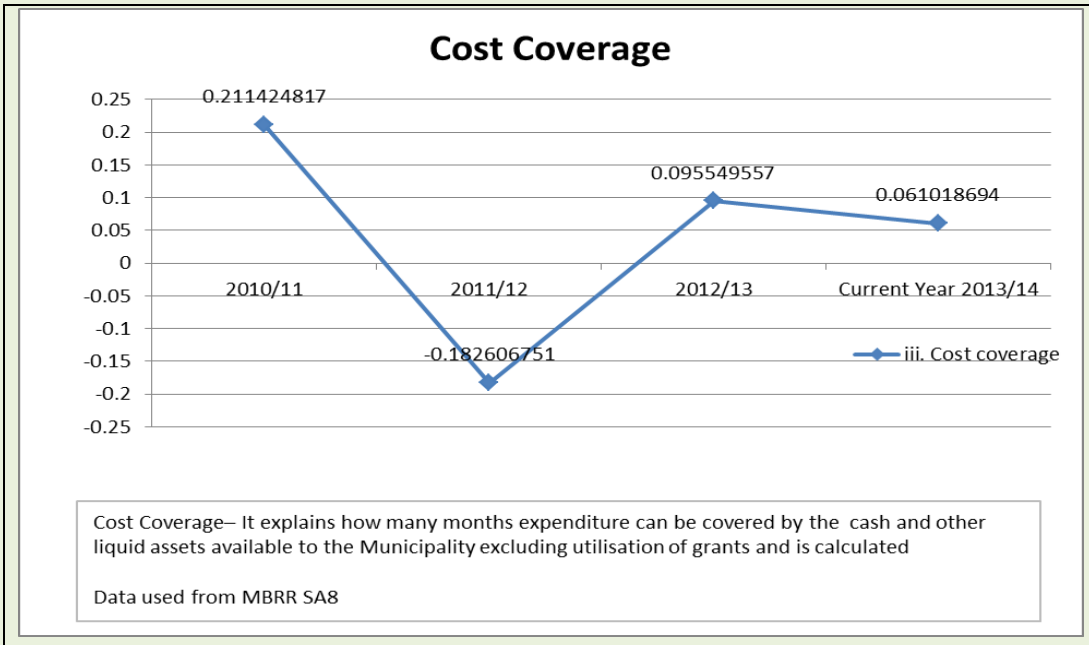
T5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

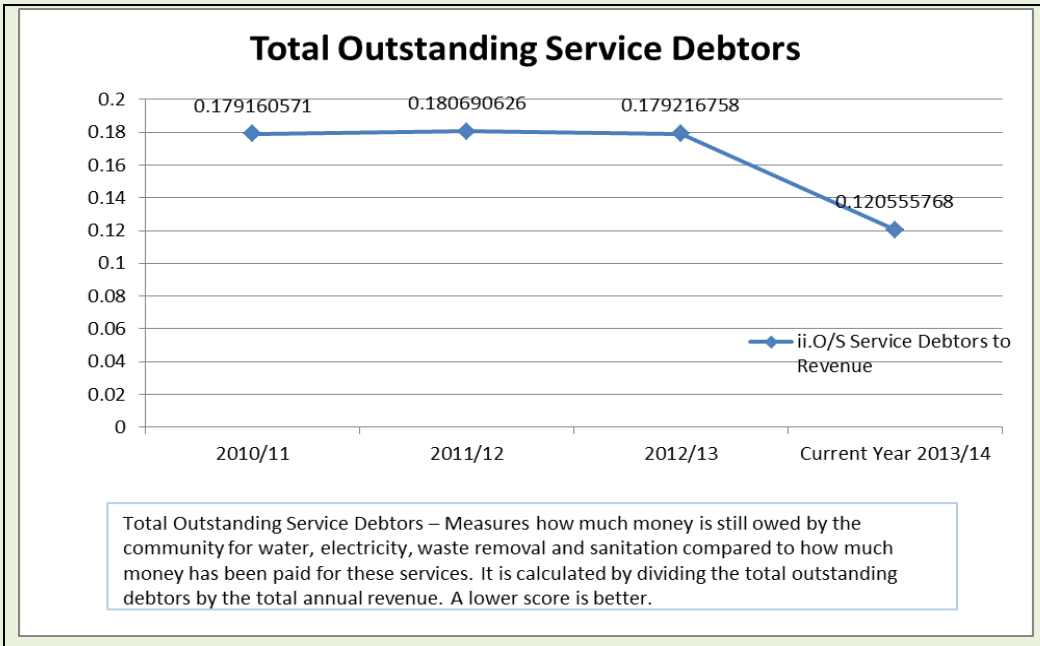
T5.4.1



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

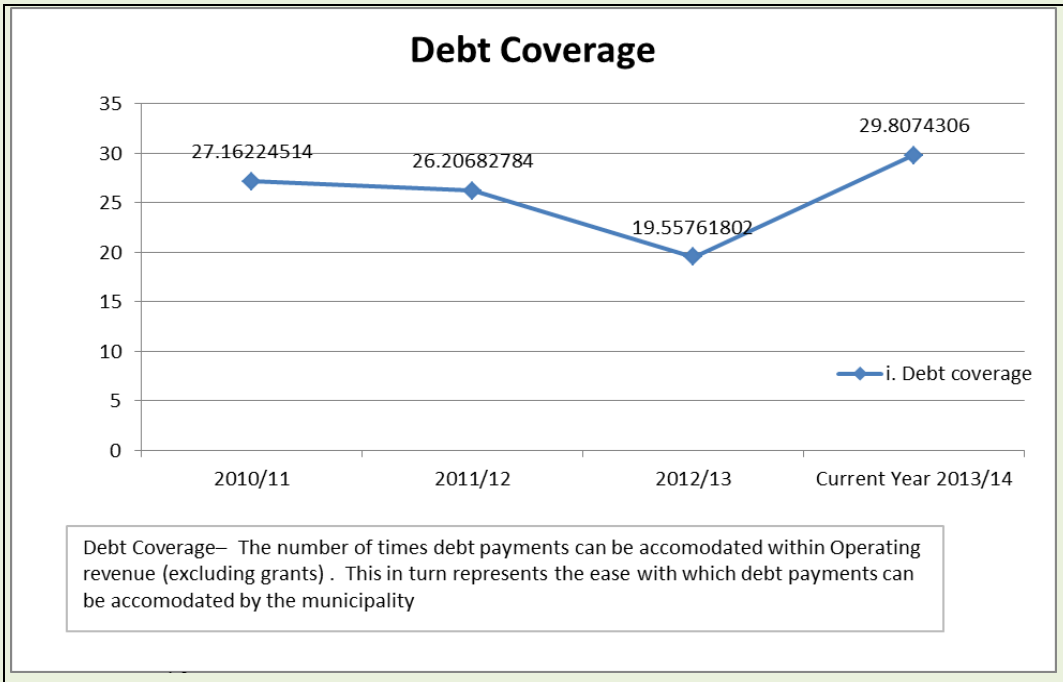
Data used from MBRR SA8

T5.4.2



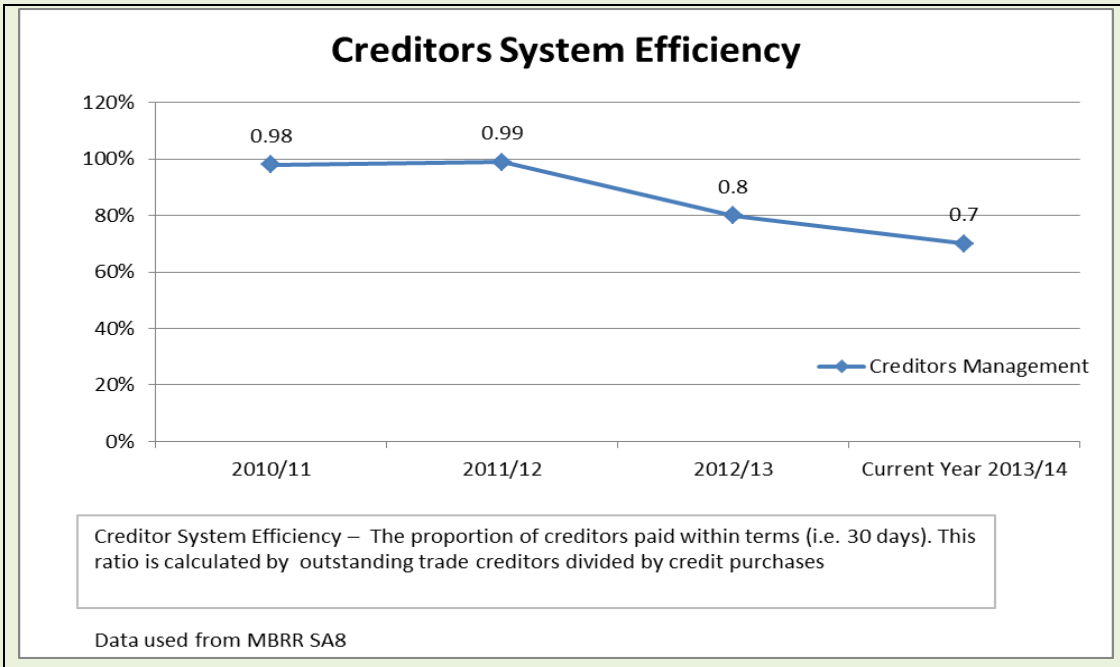
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T5.4.3



Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

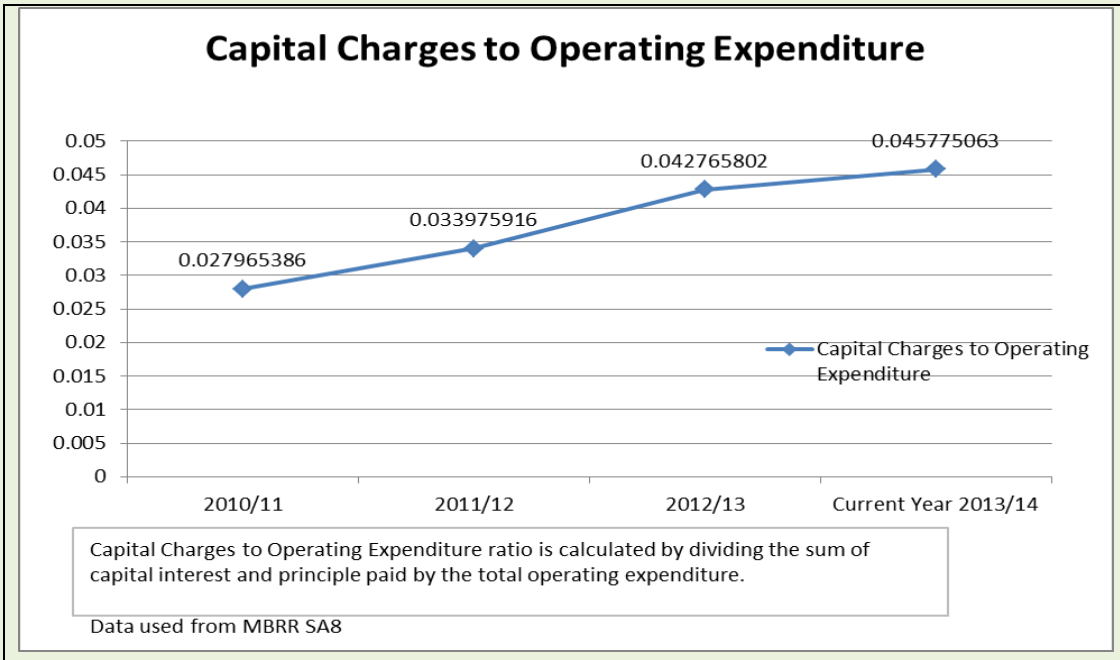
T5.4.4



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

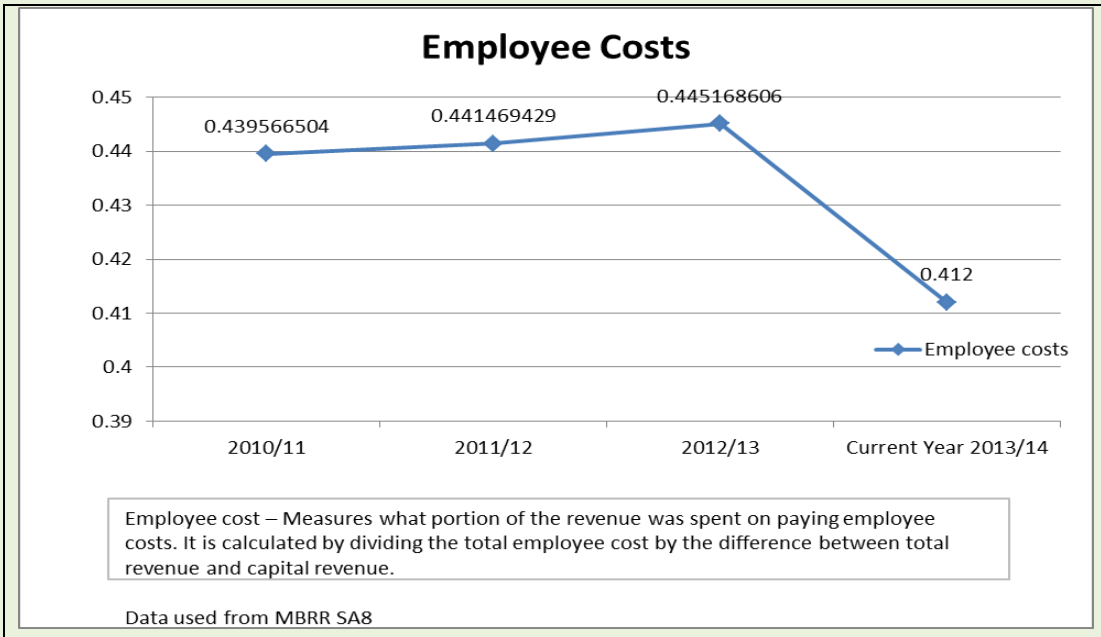
T5.4.5



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

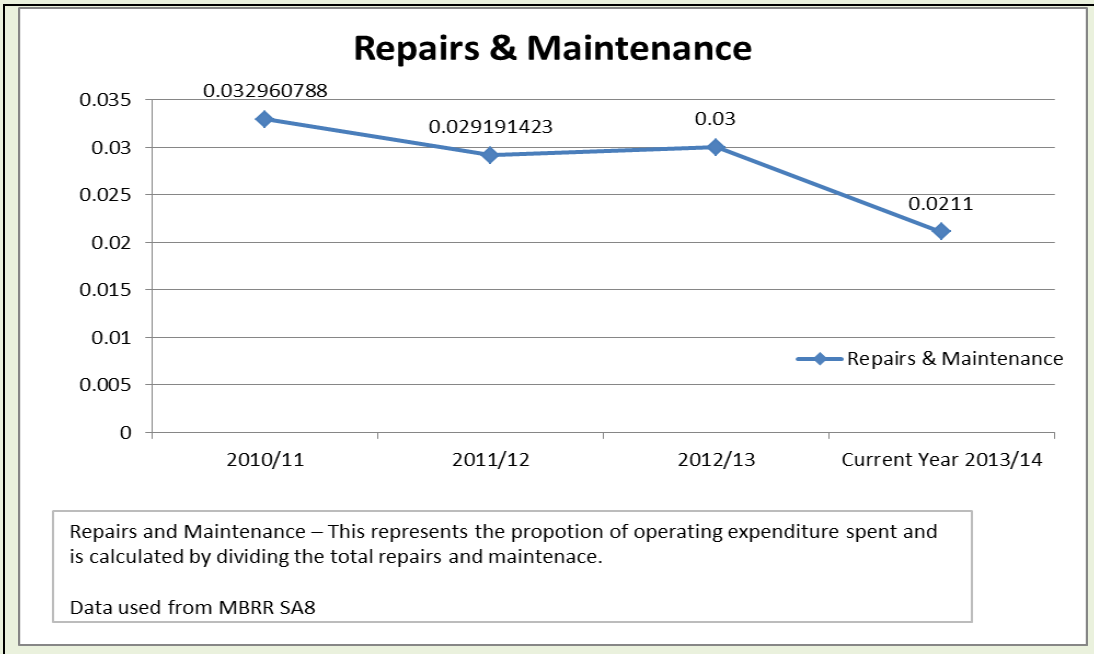
T5.4.6



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

LIQUIDITY RATIOS:
The Liquidity Ratio measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

The municipality's liquidity ratio has been under the 1:1 ratio for the past few years. This is extremely dangerous as it means that the municipality won't be able to cover all of its current year's debt.

A Municipal Turnaround Strategy has been approved already during 2013, that with implementation will definitely turn around the finances of the municipality.

COST COVERAGE:
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated.

The municipality's cost coverage ratio has been under the 1:1 ratio for the past few years. This is extremely dangerous as it means that the municipality won't be able to cover all of its current year's expenditure without the help of grants.

A Municipal Turnaround Strategy has been approved already during 2013, that with implementation will definitely turn around the finances of the municipality. This will ensure that this ratio returns to a healthy ratio of above 1:1 by increasing the revenue and minimizing the expenditure.

TOTAL OUTSTANDING SERVICE DEBTORS:
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

The municipality's outstanding service debtors to revenue ratio decreased from 17.92 % during 2012/2013 to 12.06% as at 30 June 2014. This is an improvement. It also needs to be mentioned that Council reviewed its decision to not hand over any household consumers. The Administration is in the process of handing over all outstanding consumer accounts except for indigent consumers, in accordance with Council's Customer Care, Credit Control, Debt Collection and Indigent policy.

Processes are therefore being put in place to ensure that the outstanding debt is recovered and that the ratio improves even further.

DEBT COVERAGE:
Debt Coverage– The number of times debt payments can be accommodated with Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.

The municipality's debt coverage ratio has improved from 19.56 in 2012/2013 to 29.81 in 2013/2014. The abovementioned ratio is actually not very meaningful if the municipality is not able to collect its outstanding debt from the consumers. Consumers take on average 56 days to pay the municipality for bills/invoices issued to them for services.

This ratio should improve as Council reviewed its decision to not hand over any household consumers. The Administration is in the process of handing over all outstanding consumer accounts except for indigent consumers, in accordance with Council's Customer Care, Credit Control, Debt Collection and Indigent policy.

CAPITAL CHARGES:
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

The municipality's capital charge of less than 7% (4.58%) is relatively in line with the standard for municipalities.

Processes are currently in place to ensure that the municipality increases its revenue and minimizes its expenditure in order to generate its own funds to be less dependent on external loans.

CREDITOR SYSTEM EFFICIENCY:
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

Currently the municipality's Creditor System Efficiency is currently more than the legislative days of 30 days. The reason for this is that the municipality is experiencing financial difficulties and can therefore not pay all its creditors within the prescribed period of 30 days.

The SCM function of the municipality is now centralized and it will definitely contribute in ensuring that the resources of Council are used efficiently. A Municipal Turnaround Strategy has also been approved already during 2013, which with implementation will definitely turn around the finances of the municipality.

REPAIR AND MAINTENANCE:
Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Currently the municipality's repair and maintenance expenditure ratio of 2 - 3% is less than the norm of 6-8%.

Although Repairs and Maintenance currently only account for 2.11% of the total expenditure, note should be taken that currently the employee costs of employees that only does repairs and maintenance are not included in the Repairs and Maintenance costs, as it is included under employee costs.

EMPLOYEE COSTS:
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Currently the municipality's employee's cost ratio of 41.2% is far more than the norm of 35%.

Currently employee costs of employees that only does repairs and maintenance are not included in the Repairs and Maintenance costs, as it is included under employee costs.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

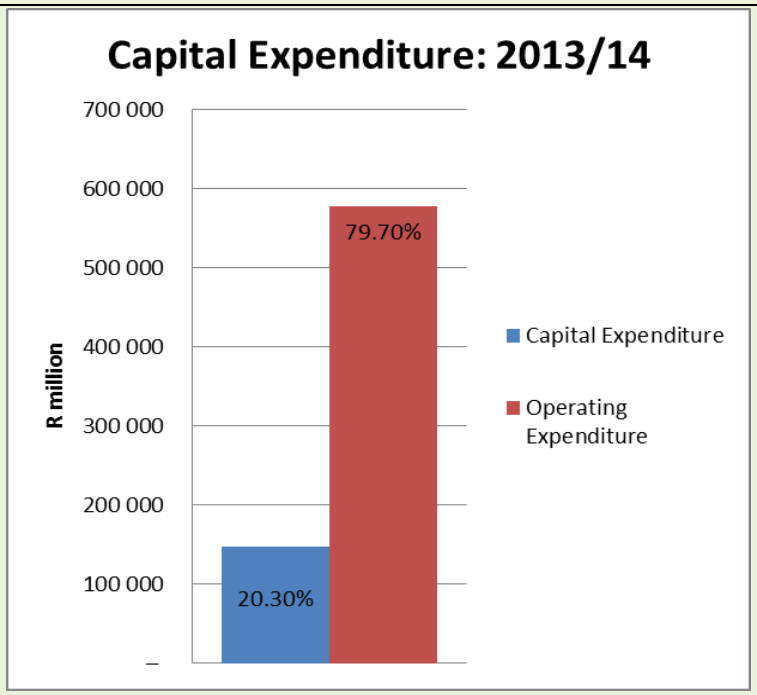
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

For the 2013/2014 financial years, the municipality focused on minimizing the unspent grants that were not cash backed as at 30 June 2013. This was done by utilising own funds to pay for these projects, while still ensuring that grants received in the 2013-2014 financial year was still spend on the projects that they were intended for.

Besides the above, the planning regime became more rigorous and tighter project management prevailed. The need for a greater security on budgets availability and the internal systems became more integrated and fluid. Where ever possible, dedicated project managers were assigned to projects. This allowed the project managers to oversee the daily functioning of the assets

T5.5.0

5.5 CAPITAL EXPENDITURE



T5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure Funding Sources 2012/13 to Year 2013/14							R' 000
Details		2012/13	2013/14				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	30 890	26 271	71 861	40 098	173.53%	52.63%
	Public contributions and donations	–	–	–	–	n/a	n/a
	Grants and subsidies	41 204	37 044	73 032	52 819	97.15%	42.59%
	Other	2 761	2 500	2 375	1 337	-5.00%	-46.52%
Total		**74 856**	**65 815**	**147 268**	**94 255**	**265.69%**	**48.70%**
Percentage of finance							
	External loans	41.3%	39.9%	48.8%	42.5%	65.3%	108.1%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	n/a	n/a
	Grants and subsidies	55.0%	56.3%	49.6%	56.0%	36.6%	87.4%
	Other	3.7%	3.8%	1.6%	1.4%	-1.9%	-95.5%
Capital expenditure							
	Water and sanitation	2 368	21 929	45 791	34 926	108.82%	59.27%
	Electricity	21 688	15 050	28 655	13 516	90.40%	-10.20%
	Housing	–	–	–	–	n/a	n/a
	Roads and storm water	20 729	15 149	45 291	27 712	198.98%	82.94%
	Other	30 070	13 688	27 531	18 101	101.14%	32.24%
Total		**74 856**	**65 815**	**147 268**	**94 255**	**499.33%**	**164.26%**
Percentage of expenditure							
	Water and sanitation	3.2%	33.3%	31.1%	37.1%	21.8%	36.1%
	Electricity	29.0%	22.9%	19.5%	14.3%	18.1%	-6.2%
	Housing	0.0%	0.0%	0.0%	0.0%	n/a	n/a
	Roads and storm water	27.7%	23.0%	30.8%	29.4%	39.8%	50.5%
	Other	40.2%	20.8%	18.7%	19.2%	20.3%	19.6%
							T5.6.1

COMMENT ON SOURCES OF FUNDING:

For the 2013/2014 financial year, there is a significant increase in the capital funding especially in Grant Funding. However this is not an indication that more grants have been received, but rather an indication that unspent grants of the previous years are now being used to fund capital expenditure. Cognizance should however be taken that the municipality have started to fund unspent grants of previous years through own income in order to reduce the unspent grants on year-end that is not cash-backed.

As the municipality is also busy reaching the "borrowing-ceiling" limit, future borrowings will be limited to ensure that the municipality in not over indebted.

As the municipality started to fund unspent grants of previous years through own income in order to reduce the unspent grants on year-end that is not cash-backed, capital expenditure through own funds have been limited to ensure that the re-funding of grant capital expenditure receives preference.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

R' 000					
Name of Project	Current Year: 2013/14			Variance Current Year: 2013/14	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Connection Road between Rosedale and Paballelo	14 271 328	19 734 109	17 789 115	-25%	10%
A H September Water Treatment Works	10 076 405	11 001 289	1 743 715	83%	84%
Civil and Electrical Services Infrastructure for CTHC Project	-	16 146 480	15 146 704	n/a	6%
Enlarge Main Sewerage Drainage Line	6 862 280	9 934 846	8 542 073	-24%	14%
Electrification projects of new Developments: 375 Connections In Paballelo	6 623 437	6 623 437	5 656 985	15%	15%
					5.7.1

Name of Project - A	Link Road and Railway bridge between Paballelo and Rosedale
Objective of Project	Improved traffic movement
Delays	Landscaping of embankments
Future Challenges	None anticipated
Anticipated citizen benefits	To improve traffic and pedestrian movement and safety aspects
Name of Project - B	Algae treatment facilities for AH September Purification Works

Objective of Project	Treatment of harmful algae in raw water supply
Delays	Approval of MIG Budget Maintenance Application
Future Challenges	No serious challenges
Anticipated citizen benefits	Improved standard of water treatment
Name of Project - C	Civil and Electrical Services Infrastructure for CTHC Project
Objective of Project	Provide electrical services to new housing project
Delays	None
Future Challenges	None
Anticipated citizen benefits	Access to electrical services for 276 households
Name of Project - D	Enlarge Rosedale Main Sewer Line
Objective of Project	To provide extra capacity for sewer reticulation
Delays	None
Future Challenges	None (completed)
Anticipated citizen benefits	Extra capacity for future reticulation of both new and existing households
Name of Project - E	Electrification projects of new Developments: 375 Connections In Paballelo
Objective of Project	Electrical connections to 375 houses
Delays	1,5 months due to various problems experienced
Future Challenges	None
Anticipated citizen benefits	Access to energy for 375 households
	T5.7.1

COMMENT ON CAPITAL PROJECTS:

Civil Engineering

Install water meters in Pabalello, Rosedale and Louisvale Road:

This project is funded through MIG grants. This projects aims to installed pre-paid water meters at the houses of indigent residents. Currently communal taps are in these areas. The replacement of the communal taps with pre-paid water meters will result in additional revenue since the communal taps are not currently billed.

Water reticulation 520 stands Paballelo:

Project is funded by the Municipality. This projects aims to installed pre-paid water meters at the houses of indigent residents. Currently communal taps are in these areas. The replacement of the communal taps with pre-paid water meters will result in additional revenue since the communal taps are not currently billed

Electrical Services

The largest project was for the electrification of 849 houses. This was quite a large project and the contractor could not complete it on time, due to a general slow delivery of material by suppliers. This is probably because of the large number of electrification projects country wide and the limited number of manufacturers. Another delaying factor was the unavailability of construction machinery, which was caused by the increase in large projects in the region, e.g. the solar power projects and the repair of flood barriers along the Orange River which ran simultaneously. In spite of the abovementioned problems, the projects are making good progress and will be completed during August 2014.

Development & Planning

Capital projects to the total value of R147 268 099 million were placed on the 2013/2014 budget, of which R94 997 081 million (64.5%) was spent at the end of the financial year. The reason for the under spending was caused by delays in large projects, due to, amongst others, factors such as:

1. Long delays in the completion of statutory procedures such as environmental impact processes for sewer and sanitation projects and geo-technical studies for road projects.
2. Long planning, design and bidding processes for certain civil engineering projects such as the construction of an algae treatment facility at the main water purification plant and the road-over-rail bridge between Paballelo and Rosedale.

In spite of the factors mentioned above, significant improvement was achieved in service delivery and percentage of capital spent since the previous financial year.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Civil Engineering

The need for a place to stay by people moving into the area and the trend of families to segregate into more households has increased the backlogs in the municipal area. About thousand erven were made available, but the delivery of services could not keep up with this growth.

Water was delivered to these households by means of stand-alone taps in the streets and the placing of water tanks. The sanitation backlogs could only be addressed by the bucket system. Electricity backlogs are addressed by the annual electrification program, with the assistance of grants from the Integrated National Electrification Program of the Department of Energy.

Due to the fact that Municipal Infrastructure Grant (MIG) funding may not be used for the provision of services to the erven, the water and sanitation backlogs can only be eradicated when formal houses are built with funding from the Department of Human Settlements, the municipality embarked on a program of submitting business plans for all areas with existing informal housing and for future housing areas ("*greenfields*").

Electricity Services

Backlogs in the supply of electricity connections at the end of the year amounted to 2017 households in the municipal and Eskom area of supply within the municipal area. The main reasons for the backlogs are the rapid migration of people into informal settlements. The municipality and Eskom are addressing this backlog by continuous electrification programs. Projects by the municipality and Eskom to connect 885 households are in progress and the planning for another 279 connections has already started.

Development & Planning

The Greater Upington is expanding at a very rapid rate and an increase in new residential erven of about 2 480 were experienced. The delivery of services could not keep up with this growth.

T5.8.1

Service Backlogs as at 2013/2014				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	19028	92%	1426	7%
Sanitation	15070	73%	5384	26%
Electricity	20331	90.8%	2071	9.24%
Waste management	18400	85.6%	3100	14.4%
Housing	13346	64%	7411	36%
				T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2013/2014 on Service backlogs						
						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport	8 425	22 713	20 480	143.1%	-9.8%	
Roads, Pavements & Bridges	8 425	22 713	20 480	143.1%	-9.8%	
Storm water	-	-	-	n/a	n/a	
Infrastructure - Electricity	-	-	-	n/a	n/a	
Generation	-	-	-	n/a	n/a	
Transmission & Reticulation	-	-	-	n/a	n/a	
Street Lighting	-	-	-	n/a	n/a	
Infrastructure - Water	10 076	1 645	892	-91.1%	-45.8%	
Dams & Reservoirs	-	-	-	n/a	n/a	
Water purification	10 076	292	327	-96.8%	12.0%	
Reticulation	0	1 353	565	n/a	n/a	
Infrastructure - Sanitation	6 637	11 822	9 812	47.8%	-17.0%	
Reticulation	4 102	11 822	9 812	139.2%	-17.0%	
Sewerage purification	2 535	-	-	-100.0%	n/a	
Infrastructure - Other	-	-	-	n/a	n/a	
Waste Management	-	-	-	n/a	n/a	
Transportation	-	-	-	n/a	n/a	
Gas	-	-	-	n/a	n/a	
Other Specify:	2 945	8 339	6 035	104.9%	-27.6%	
Parks	490	4 341	3 820	679.6%	-12.0%	
Sportsfields	2 455	3 998	2 215	-9.8%	-44.6%	
Total	28 083	44 519	37 219	32.5%	-16.4%	
*						T5.8.3

COMMENT ON BACKLOGS:

Civil Engineering Services

Due to critical staff shortages in the Technical Department since 2008 the municipality did not have enough registered MIG projects, which led to an under spending in MIG funds. To improve this situation, a temporary Project Manager was appointed. During the year a number of new projects were registered by the Project Manager and the projects, as in T5.8.3, were started. The Municipality now has enough projects registered for the MIG allocation in the next three years and project planning and implementation can go ahead. Backlogs in road infrastructure, Water and sanitation bulk services, sports fields, parks and cemeteries are the main areas that will be addressed through these projects.

Electrical Services

Although the municipality and Eskom have been able to keep electricity backlogs within reasonably manageable figures up to this point, several new informal areas are planned at present, which will mean that the electrification backlogs will become a bigger challenge for the next few years. Although the Department of Energy assists through the Integrated National Electrification Programme (INEP), the municipality will have to make provision for counter funding of these projects through the capital budget, financed by loans, which will put considerable pressure on the financial resources of the municipality.

Development & Planning

During the 2013/2014 financial year //Khara Hais Municipality succeeded in turning around MIG spending patterns. Sufficient MIG projects were registered to make it possible to address roll-over funds from previous years as well as the MIG allocations for the next two years. Project planning and implementation has accelerated and an additional R16 million was spent supplementary to the DORA allocation of R22 million for 2013/2014. The main focus point remains current backlogs in road infrastructure, water and sanitation bulk services, sports fields and parks.

T5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is the process of monitoring, analyzing, and adjusting the municipality's cash flows. The most important aspect of cash flow management is avoiding extended cash shortages, caused by having too great a gap between cash inflows and outflows.

Receivables from exchange and non-exchange transactions represent the largest of the current assets. It is therefore necessary for the municipality to obtain effective means to convert these outstanding receivables into cash to improve the cash and cash equivalents at the municipality.

T5.9.0

5.9 CASH FLOW

Cash Flow Outcomes

R'000

Description	2012/13	Current Year: 2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	330 900	389 083	397 992	402 609
Government - operating	64 139	64 764	68 373	68 748
Government - capital	40 221	37 044	73 032	49 646
Interest	3 185	2 687	2 597	3 161
Dividends	–	–	–	–
Payments				
Suppliers and employees	(401 029)	(427 561)	(419 787)	(388 611)
Finance charges	(13 838)	(15 369)	(15 628)	(27 210)
Transfers and Grants	(639)	(25 984)	(25 894)	(15 822)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**22 939**	**24 664**	**80 685**	**92 522**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 120	7 000	4 500	3 383
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	(14)	–	6	7
Decrease (increase) in non-current investments	–	1 000	–	(7)
Payments				
Capital assets	(74 673)	(65 815)	(147 268)	(94 255)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(73 566)**	**(57 815)**	**(142 762)**	**(90 873)**

CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	65 624	44 427	71 861	–
Increase (decrease) in consumer deposits	1 265	42	96	727
Payments				
Repayment of borrowing	(8 362)	(14 775)	(10 845)	(5 833)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**58 527**	**29 694**	**61 111**	**(5 106)**
NET INCREASE/ (DECREASE) IN CASH HELD	**7 900**	**(3 457)**	**(965)**	**(3 457)**
Cash/cash equivalents at the year begin:	**(4 929)**	**10 744**	**2 971**	**2 850**
Cash/cash equivalents at the year end:	**2 971**	**7 287**	**2 006**	**(607)**
Source: MBRR SA7				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

Cash and cash equivalents amounted to negative R607,057 at the end of 2013/2014. This represents a net decrease of R3,578,002 from the positive amount of R2,970,945 for the 2012/2013 financial year. This is an indication of the financial difficulty the municipality is going through at the moment.

Although this net decrease is a significant amount, cognizance should however be taken that the municipality have started to fund unspent grants of previous years through own income in order to reduce the unspent grants on year-end that is not cash-backed.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

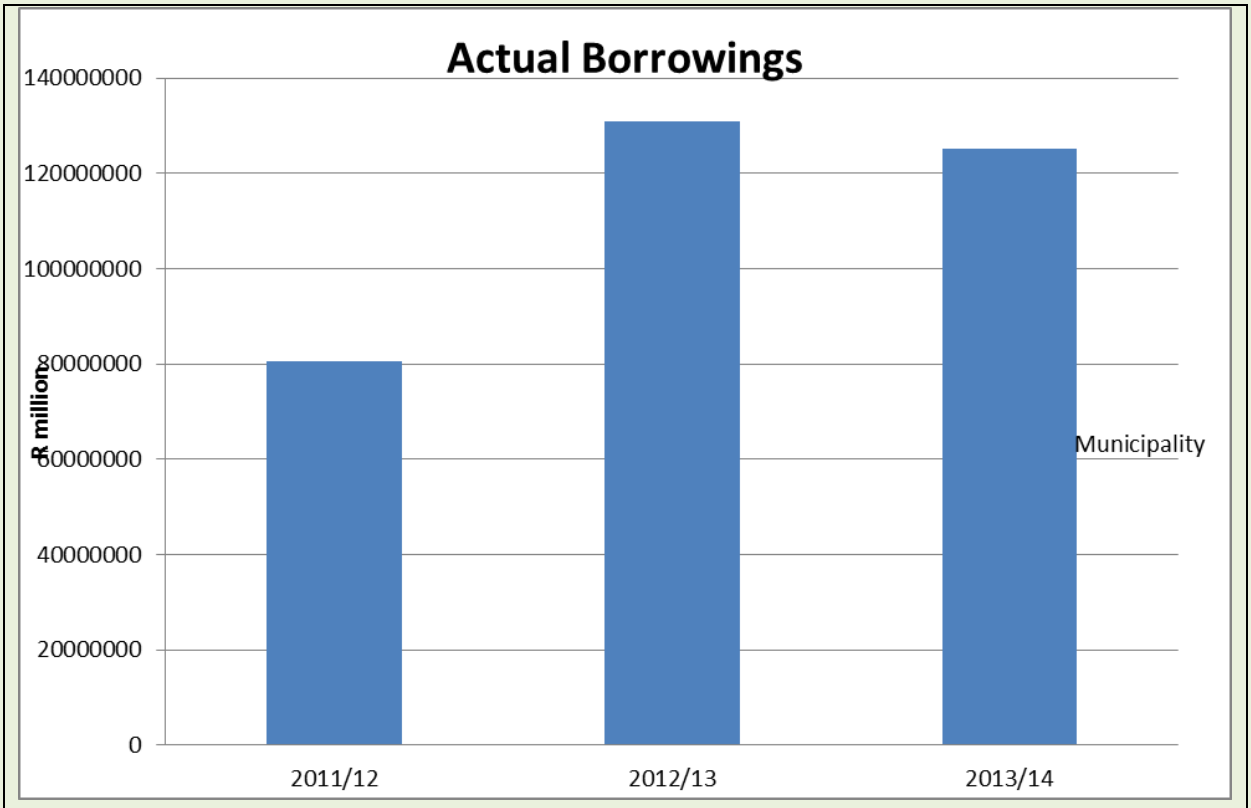
INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality uses long-term loans/borrowings to finance the purchase or creation of infrastructure and other assets. As far as possible, the long-term loans/borrowings are used to finance assets that have a long useful lifespan. Therefore as the loan is repaid, the assets must be able to still deliver service to the municipality.

Investments are made on a continuous basis as surplus cash becomes available from time to time. Surplus cash are only invested at recognized financial institutions to receive maximum interest while also having surety that the investment will be safe and available when needed.

T5.10.1

Actual Borrowings 2011/12 to 2013/14			R' 000
Instrument	**2011/12**	**2012/13**	**2013/14**
Municipality			
Long-Term Loans (annuity/reducing balance)	80 514	130 867	125 033
Municipality Total	80 514	130 867	125 033
Municipal Entities	n/a	n/a	n/a
Entities Total	n/a	n/a	n/a
			T5.10.2



T5.10.3

Municipal and Entity Investments			R' 000
Investment* type	2011/12	2012/13	2013/14
	Actual	Actual	Actual
Municipality			
Deposits - Bank	5 369	19 199	3 380
Municipality sub-total	5 369	19 199	3 380
Municipal Entities	n/a	n/a	n/a
Entities sub-total	n/a	n/a	n/a
Consolidated total:	5 369	19 199	3 380
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

The Municipality received external loans of R8,540,164 in 2013/14 and have a total of R125,033,476 outstanding as at 30 June 2014. The balance of external loans decreased with R5,833,178 from R130,866,654 as on 30 June 2013 until 30 June 2014. The decrease in loans can be attributed to the repayment of existing loans and the reluctance of taking up new loans as the municipality is beginning to reach the borrowing-ceiling. The borrowing-ceiling relates to the maximum amount of loans the municipality can have before it cannot repay the installments when it is due

The balance of the capital budget was financed utilizing government grants and internally generated funds. The Municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements is invested at approved institutions in strict accordance with Council's approved Cash and Investment Policy.

As per above table T5.10.4, the total short term investments decreased significantly from R19,198,168 to R3,380,123 at 30 June 2014. However these investments are ring – fenced specifically for employee trust accounts. Employee benefit trust accounts are kept in trust for beneficiaries of deceased employees. These amounts are invested in separate investment accounts and utilised in terms of the stipulations of the Curator of the Estate.

The reason the decline in investments can be attributed to the fact that own funds were utilised to fund grant expenditure where the grants were used or were not cash-backed. Although there are still grants that remain not cash-backed, the municipality is busy addressing this by means of stricter expenditure control

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T5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS
Not applicable to this Municipality
T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The municipality has made significant strides to ensure that the policies and procedures have been adhering too. Important vacancies have been filled, and computer software has been advanced to ensure transparency within the municipality. Turnaround strategies has been developed to address short comings in the SCM units and regular audits are performed to address potential risk in the municipality

The municipality prides itself in complying with the MFMA Act No 56 of 2003 and the SCM policy by not allowing any councilor to serve on any of the SCM committees. Currently we have all our middle and senior managers that do comply with the required SCM competency levels.

The Auditor general has issued the municipality with a qualified audit report, of which the following remark was made by the Auditor General.

"The municipality has incurred irregular expenditure to the amount of R31 480 409. The irregular expenditure is due to non-compliance with the MFMA and supply chain management processes."

Other matters that we need to adhere to were the following:

1. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM Regulation 17(a) & (c).

2. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM Regulation 36(1).

3. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act, 2000 (Act No. 38 of 2000) and CIDB Regulation 18.

4. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

5. Awards were made to providers who are in the service of other state institutions or whose directors are in the service of other state institutions, in contravention of MFMA 112(j) and SCM Regulations 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM Regulation 38(1).

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice. GRAP sets the rules and formats by which municipalities are required to maintain their financial accounts. Various GRAP standards have been incorporated in the Annual Financial Statements. For example GRAP 17 Property, Plant and Equipment, GRAP 16 Investment Property and GRAP 25 Provisions

//Khara Hais' financial statements are fully GRAP compliant.

T5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

All the projects for the directorate on the capital budget, were administrative. The capital project with the highest value is the acquisition of an account printer. The budgeted amount was R153 050.00 and the total project cost was R117 225 (Vat exclusive). The project is completed.

The second highest capital project was the purchase of the IMQS – Ducharme movable asset system, that was purchased to enable the Asset Management unit to account for all movable assets. The order was issued on 27 March 2014 already, however the invoice was never processed on the financial system for payment. The total project cost was R30, 000.00 (Vat exclusive).

The third highest capital project in the directorate was the acquisition and installation of an electrical gate at the municipal store building, to provide access control to inventory items that is kept in the yard of the stores. The budgeted amount was R13 711.00 and the total project cost was R13 711 (Vat exclusive). The order was issued on 20 May 2014, however the appointed contractor was still busy with the installation of the gate on 30 June 2014.

The fourth highest project was the acquisition of 8 high back chairs for the newly appointed supply chain management personnel. The budgeted amount was R6, 944.00 and the total project cost was R6, 936.00 (Vat exclusive).

It needs to be mentioned that funds for all the capital projects of the directorate were requested from the unallocated funds' budget that fell under the Municipal Manager

T6.0.1

Chapter 6

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2012/2013

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0	
Audit Report Status*:	
Non-Compliance Issues	**Remedial Action Taken**
*Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*	
	T6.1.1

Auditor-General Report on Service Delivery Performance: Year 0	
Audit Report Status:	
Non-Compliance Issues	**Remedial Action Taken**
	T6.1.2

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2013/2014 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Financial Performance Year 1*	
Status of audit report:	
Non-Compliance Issues	**Remedial Action Taken**
Note: The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 1.* T6.2.1	

Auditor-General Report on Service Delivery Performance: Year 1*	
Status of audit report:**	
Non-Compliance Issues	**Remedial Action Taken**
** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor-General Report on Service Delivery Performance Year 1* *** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.* T6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2013/2014

Delete Directive note once comment is complete **- Attach report**

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2013/2014:

Delete Directive note once comment's completed **- Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on 2013/2014 if it provides useful context.**

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief financial Officer)…….. Dated
T6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.

Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of

	information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

COUNCILORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
LA Koloi	FT	Council Meeting	Party Represented	100	
		Executive Committee		73	27
		Committee for Financial Viability		81	18
T Basson	FT	Council Meeting	Party Represented	100	
MM Abels	PT	Council Meeting	Party Represented	100	
		Committee for Financial Viability		81	18
E Allies	PT	Council Meeting	Party Represented	81	18
		Executive Committee		100	
		Committee for Local Economic Development		73	27
		Committee for Transformation & Institutional Development		81	18
M Andreas	PT	Council Meeting	Ward Represented	100	
		Committee for Local Economic Development		91	9
J Assegaai	PT	Council Meeting	Party Represented	64	36
		Committee for Transformation & Institutional Development		91	9
MG Brand	PT	Council Meeting	Ward Represented	73	27
		Committee for Transformation & Institutional Development		64	36
K de Wee	PT	Council Meeting	Party Represented	91	9
		Executive Committee		91	9
		Committee for Corporate Governance		91	9
R George	PT	Council Meeting	Ward Represented	100	
		Committee for Service Delivery and Infrastructure Development		100	
J Isaacs	PT	Council Meeting	Party Represented	100	
		Committee for Service Delivery and Infrastructure Development		100	

M Kock	PT	Council Meeting	Ward Represented	100	
		Committee for Corporate Governance		100	
E Lebitsa	PT	Council Meeting	Ward Represented	100	
		Committee for Corporate Governance		91	9
E Mnyaka	PT	Council Meeting	Ward Represented	91	9
		Committee for Service Delivery and Infrastructure Development		100	
S May	PT	Council Meeting	Ward Represented	91	9
		Committee for Transformation & Institutional Development		100	
J Moya	PT	Council Meeting	Ward Represented	100	
		Committee for Local Economic Development		91	9
E Munnik	PT	Council Meeting	Party Represented	91	9
		Committee for Financial Viability		100	
D Ntlanganiso	PT	Council Meeting	Ward Represented	100	
		Committee for Local Economic Development		100	
M Plaatjies	PT	Council Meeting	Party Represented	91	9
		Committee for Local Economic Development		100	
M Segede	PT	Council Meeting	Ward Represented	100	
		Executive Committee		100	
		Committee for Service Delivery & Infrastructure Development		100	
		Committee for Corporate Governance		100	
IISS Selborne	PT	Council Meeting	Party Represented	81	19
		Committee for Corporate Governance		100	
JL Snyman	PT	Council Meeting	Party Represented	100	
		Executive Committee		100	
		Committee for Financial Viability		100	
PT van der Steen	PT	Council Meeting	Ward Represented	81	19
		Committee for Service Delivery & Infrastructure Development		100	
AJ van Rooyen	PT	Council Meeting	Ward Represented	81	19
		Committee for Financial Viability		100	
J Thomas	PT	Council Meeting	Party Represented	81	19
		Committee for Transformation & Institutional Development		73	27
A van Wyk	PT	Council Meeting	Ward Represented	91	9
		Committee for Service Delivery & Infrastructure Development		100	
I van Wyk (Till 24/05/2014)	PT	Council Meeting	Ward Represented	78	22
		Committee for Financial Viability		89	11

JM van Wyk (Till 2014/02/28)	PT	Council Meeting	Party Represented	86	14
		Committee for Local Economic Development		86	14
EM Olyn (From 2014/03/01)	PT	Council Meeting	Party Represented	100	
		Committee for Local Economic Development		100	
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Committee for Service Delivery & Infrastructure Development	Civil Engineering Services (streets, roads, building construction, building control, water, sewerage and commonage) Electrical Services Town Planning Parks Swimming Pools Sport grounds and facilities Graveyards Housing Public Health Services (Inspectorate, primary health care, refuse removal and disposal, bucket system) Fleet Management Building Maintenance
Committee for Local Economic Development	Local Economic Development Tourism and marketing Holiday Resorts
Committee for Financial Viability	The Financial Administration Audit reports Tender reports Collection of debtors All items relating to financial administration of the Municipality: - Monthly section 71 report of the MFMA of 2003 - Monthly Supply Chain Management report - Monthly expenditure on grants received as per the Division of Revenue Act Monthly report on Employee-related expenditure: Section 66 of MFMA of 2003: - Quarterly report of loans and investments made - Quarterly report on Cash flow projections. - Quarterly progress on Audit Action Plan. - Annual MFMA Implementation Plan. - Progress reports on Capital Projects.

Committee for Transformation & Institutional Development	Affirmative action/policy Appointments Remuneration Evaluation of posts Benefits Conditions of Service Labour Relations Organisational Structure Work Study
Committee for Corporate Governance	Licensing (businesses, vehicles, etc) Public Relations Secretarial services Legal services Integrated Development Strategic Plans Risk Management Performance Management Public Participation Imbizo Protection Services (traffic, fire department, security, disaster management and parking) Libraries

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Office of the Municipal Manager	Municipal Manager - Mr WJB Engelbrecht (Till 2013/11/30)
	- Senior Manager: Internal Audit & Risk Management - Mrs E van Kradenburgh (Till 2014 01 31)
	- Senior Manager: Tourism, LED & Resorts - Mr R Alexander (Till 31/01/2014
	- Senior Manager: Strategic Operations - Mr VE Mvusi (Till 31/01/2014
	- Manager: IDP & PMS – Mr G Besselsen (Till 2014/01/31)
	- Manager: Housing – Mr M Maczali (Till 2014/01/31)
	- Manager: Communications & Client Services – Mr P Williams (Till 2014/01/31)
	- Chief: Fleet Management – Mr D Kazi (Till 2014/01/31)
	- Manager in the Office of the Mayor & Speaker – Mr R Mjetu
	Municipal Manager – Mr DE Ngxanga (From 2013/12/01)
	Senior Manager: Internal Audit - Mrs E van Kradenburgh (From 2014 02 01)
	Manager: Risk Management - Mr R Richards (From 2014/02/01)
	Manager: PMS & Workstudy– Mr G Besselsen (From 2014/02/01)
	- Manager in the Office of the Mayor & Speaker – Mr R Mjetu
Directorate Corporate Services	Director Corporate Services - Mrs CM Newman
	- Senior Manager: Human Resources - Mr W George
	- IT Manager - Mr J Marais
	- Manager: Secretariate - Mr SS Silwer
	- Senior Administrative Official (Legal Services) - Mr B Fourie
	- Senior Manager: Policies & Research - Mr VE Mfusi (From 01/02/2014)
	- Manager: Communications – Mr P Williams (From 2014/02/01)
	- Chief: Client Services – Mr CA Mchiza (From 2014/02/01)
Directorate Development Services	Director Development Services - Mr MG Bovu
	- Senior Manager: Protection Services - Mr R Alexander (From 2014/02/01)
	- Manager: Security Services - Mr G Titus
	- Manager: Traffic Services - Mr AL Plaag (Till 2014/02/28)
	- Manager: Fire Services - Mr J De Monk

	- Manager: Environmental Health Services - Mr G Kuun
	- Manager: Parks and Recreation - Mr SG Magodongo
	Senior Libriarian – Ms I Engelbrecht
Directorate Electro – Mechanical Services	Director Infrastructure Development - Mr HA Auret
	Electrical Networks & Distribution – Post Vacant
	Electrical Maintenance – Mr FA Cronje
	Metering & Planning – Mr JA Myburgh
	Chief Officer: Mechanical Workshop – Mr CG April
Directorate Civil Engineering Services	Acting Director Civil Engineering – Mr J Kock
	Control Technician: Water Purification, Sewerage Treatment & Sanitation – Mr G Isaacs
	Control Technician: Water Distribution, Sewerage Collection & Maintenance – Mr T Plaatjies
	Control Technician: Roads & Stormwater Management – Mr R Diergaardt
	Control Technician: Civil Service Planning & Projects – Mr PW du Plessis
Directorate Development & Planning	Acting Director Development & Planning – Mr P Viviers
	Senior Manager: Town Planning & Building Control – Mr C Geldenhuys
	Manager: Housing & Human Settlement – Mr M Maczali
	Manager: Planning & Project Management – Vacant
	Manager: LED – Ms V van Wyk
	Acting Chief Officer: IDP – Mr K Makatong

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No)***	**Function Applicable to Entity (Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution		NOT APPLICABLE
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	Yes	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	

Municipal / Entity Functions	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	NOT APPLICABLE
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	Yes	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
**** If municipality: indicate (yes or No); * If entity: Provide name of entity***		T D

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of monthly public ward meetings held during year**
Ward One (1)	Cllr E Mnyaka	Yes	11	11	10
	Melony –Anne Sono				
	Maria Kock				
	Gertruida Swarts				
	Rachel Matthys				
	Katrina Aly				
	Joyce Klaaste				
	Robert Hoffman				
	Esau JJ Springbok				
	Solly Abel				
	Dina Maasdorp				
Ward Two (2)	Cllr Melvin G Brand	Yes	11	11	10
	Mieta Davids				
	Anneline Eiman				
	Joseph Basson				
	Annita Weilbach				
	Vernon Neelse				
	Angeline Neelse				
	Willem van Wyk				
	Frans Du Plessis				
Ward Three (3)	Cllr Alice van Wyk	Yes	11	11	10
	Felicity Olifant				
	Elvona Jansen				
	Juanita van Wyk				
	Tersia Jantjies				
	Elizabeth van Wyk				
	Katrina Rooibaardt				
	Sarah Karelse				
	Jacob Malgas				
Ward Four (4)	Cllr Marychen Andreas	Yes	11	11	10
	Veronica Rooi				
	Jan Springbok				
	Quinton March				
	Martha Willemse				
	Katrina Beukes				

	Rudolf De Wee				
	Daniel Konyn				
	Stephanus February				
	Samantha Edwards				
Ward Five (5)	Cllr Ragel George	No	None	None	10
Ward Six (6)	Cllr David Z Ntlanganiso	Yes	11	11	10
	Matuseal Johnson				
	Bennet Nel				
	John Bendlela				
	Sibusiso Charlie				
	Mamelo Chabana				
	Poppie Mathian				
	Thando Poya				
	Anastasia Monyane				
	Klara Silo				
	Jolene Jacobs				
Ward Seven (7)	Cllr Michael Segede	Yes	11	11	10
	Michael Brown				
	Agnes Mgudlwa				
	Lindiwe Mokgatle				
	Virginia Horn				
	Constance Pita				
	Neville Gunda				
Ward Eight (8)	Cllr Phillipus T Van der Steen	Yes	11	11	10
	Geraldine Jacobs				
	Sebina Maasdorp				
	Jannie Simon				
	Hendrik Springbok				
	Miriam van Wyk				
	Elna Lebitsa				
Ward Nine (9)	Cllr Andries J van Rooyen	Yes	11	11	10
	Claire Isaaks				
	Rewina April				
	Leon van Wyk				
	Theresa Kraai				
	Attian Eksteen				
	Sophia Springbok				
	Katrina Saulse				
	Marie Coetzee				
	Maryna van Wyk				
	Simphiwe Mfusi				
Ward Ten (10)	Cllr Simon P May	Yes	11	11	10

	Johannes Nero				
	Valerie Vosloo				
	Sebina Matthys				
	Juline Newman				
	Veronica Daniels				
	Maria Klaaste				
	Aletta Kammies				
	Alana Isaacs				
	Jacob van Rooi				
	Christi – Anne Mouers				
Ward Eleven (11)	Cllr Ivon van Wyk	Yes	11	11	10
	Anneline Maasdorp				
	Vicus Kammies				
	Elizabeth Swartz				
	Melissa September				
	Zelna Gouws				
	Hans Rooi				
	Veronica Isaacs				
	Juliana Isaaks				
Ward Twelve (12)	Cllr Monica Kock	Yes	11	11	10
	Sylvia Mere				
	Jane Kock				
	Emma Van Eden				
	Le – Grant Pretorius				
	Betjie Malinga				
	Anna Isaaks				
	Johannes Waters				
	Maria Titus				
	Maria Andreas				
	Izak van Rooyen				
Ward Thirtheen (13)	Cllr Elliot Lebitsa	Yes	11	11	10
	Kingsley Kapater				
	Bangisile Ntlebi				
	Jakovina Minnaar				
	Oxley Matuleka				
	Petrus Goeieman				
	Zelna Sais				
	Nomhle Dodo				
Ward Fourteen (14)	Cllr James Moya	Yes	11	11	10
	Elmaria Matroos				
	Nazeem Abercornie				

	Jan van Schalkwyk				
	William Malo				
	Jan J Swartz				
	Andeline Maasdorp				
	Johanna Reynecke				
	Erna Swartz				
	Miriam Oor				
	Sarah Snyman				
					T E

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)

Capital Projects: Seven Largest in Year 1 (Full List at Appendix X)				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
1	Purchase of Farm Mooirivier, Restant of Portion 348, Bethesda - Ward 12		Legal dispute over purchase	312 433
2	Renovations at ward office - Ward 1		In Progress	268 191
3	Ward Offices, Erf 16580 - Ward 13		In Progress	162 000
4	Ward Offices, Erf 20049 - Ward 4		In Progress	175 841
5	Two offices, Babbelbekkies - Ward 10			134 918
6	Ward Offices - Ward 11			109 473
7	Ward Offices - Ward 7		In Progress	74 500
				T F.1

Functionality of Ward Committees		
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Number of monthly Committee meetings attended by each member for the year**
Ward One (1)	Cllr E Mnyaka	11
	Melony –Anne Sono	9
	Maria Kock	8
	Gertruida Swarts	8
	Rachel Matthys	4
	Katrina Aly	6
	Joyce Klaaste	9
	Robert Hoffman	5
	Esau JJ Springbok	5
	Solly Abel	4
	Dina Maasdorp	3

Ward Two (2)	Cllr Melvin G Brand	11
	Mieta Davids	10
	Anneline Eiman	10
	Joseph Basson	
	Annita Weilbach	11
	Vernon Neelse	10
	Angeline Neelse	
	Willem van Wyk	11
	Frans Du Plessis	10
Ward Three (3)	Cllr Alice van Wyk	11
	Felicity Olifant	9
	Elvona Jansen	10
	Juanita van Wyk	8
	Tersia Jantjies	8
	Elizabeth van Wyk	7
	Katrina Rooibaardt	5
	Sarah Karelse	10
	Jacob Malgas	10
Ward Four (4)	Cllr Marychen Andreas	11
	Veronica Rooi	9
	Jan Springbok	8
	Quinton March	8
	Martha Willemse	9
	Katrina Beukes	9
	Rudolf De Wee	8
	Daniel Konyn	0
	Stephanus February	0
	Samantha Edwards	2
Ward Five (5)	Cllr Ragel George	
Ward Six (6)	Cllr David Z Ntlanganiso	11
	Matuseal Johnson	5
	Bennet Nel	5
	John Bendlela	5
	Sibusiso Charlie	5
	Mamelo Chabana	5
	Poppie Mathian	
	Thando Poya	
	Anastasia Monyane	5
	Klara Silo	5
	Jolene Jacobs	5

Ward Seven (7)	Cllr Michael Segede	11
	Michael Brown	3
	Agnes Mgudlwa	4
	Lindiwe Mokgatle	1
	Virginia Horn	5
	Constance Pita	5
	Neville Gunda	2
Ward Eight (8)	Cllr Phillipus T Van der Steen	11
	Geraldine Jacobs	5
	Sebina Maasdorp	3
	Jannie Simon	
	Hendrik Springbok	4
	Miriam van Wyk	3
	Elna Lebitsa	7
Ward Nine (9)	Cllr Andries J van Rooyen	11
	Claire Isaaks	9
	Rewina April	4
	Leon van Wyk	11
	Theresa Kraai	9
	Attian Eksteen	11
	Sophia Springbok	11
	Katrina Saulse	12
	Marie Coetzee	11
	Maryna van Wyk	11
	Simphiwe Mfusi	6
Ward Ten (10)	Cllr Simon P May	11
	Johannes Nero	4
	Valerie Vosloo	3
	Sebina Matthys	4
	Juline Newman	7
	Veronica Daniels	5
	Maria Klaaste	6
	Aletta Kammies	4
	Alana Isaacs	3
	Jacob van Rooi	5
	Christi – Anne Mouers	0
Ward Eleven (11)	Cllr Ivon van Wyk	11
	Anneline Maasdorp	10
	Vicus Kammies	9
	Elizabeth Swartz	11

	Melissa September	6
	Zelna Gouws	6
	Hans Rooi	5
	Veronica Isaacs	6
	Juliana Isaaks	6
Ward Twelve (12)	Cllr Monica Kock	11
	Sylvia Mere	3
	Jane Kock	5
	Emma Van Eden	7
	Le – Grant Pretorius	7
	Betjie Malinga	8
	Anna Isaaks	5
	Johannes Waters	7
	Maria Titus	8
	Maria Andreas	6
	Izak van Rooyen	4
Ward Thirtheen (13)	Cllr Elliot Lebitsa	11
	Kingsley Kapater	11
	Bangisile Ntlebi	10
	Jakovina Minnaar	9
	Oxley Matuleka	10
	Petrus Goeieman	3
	Zelna Sais	10
	Nomhle Dodo	10
Ward Fourteen (14)	Cllr James Moya	11
	Elmaria Matroos	7
	Nazeem Abercornie	
	Jan van Schalkwyk	8
	William Malo	8
	Jan J Swartz	2
	Andeline Maasdorp	5
	Johanna Reynecke	4
	Erna Swartz	9
	Miriam Oor	4
	Sarah Snyman	9
		E1

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

The Audit Committee made the following most important recommendations to Council during the 2013/2014 financial year:

To ensure a credible IDP, Budget and SDBIP:

- Financial Services and the IDP section must coordinate their respective working methods to ensure that the IDP includes a thorough financial plan with budget projections that includes sound financial management principles and expenditure controls as well as revenue enhancement for the execution of the development priorities and objectives.

- Managers must submit their input on the IDP with regard to their financial and technical projections timeously to the IDP Office.

- Management must ensure that the compilation of the budget be based and prioritised according to the objectives and priorities in die IDP.

- As the annual report is a backward-looking document it reports on actual performance at the end of the financial year and therefore must the document contain credible information based on the actual results in the SDBIP.

- The Performance Management section must test the reliability and correctness of supporting evidence provided during performance evaluations.

Resorts:

- In order to ensure sound financial management principles and the correctness of financial information, management must ensure that:
    - A daily reconciliation is performed between the physical income, income analysis and the cash take over register.
    - Training is provided to the officials responsible for the completion of the register.
    - A daily reconciliation is performed between the Island Resort System and the BIQ General Ledger so that the necessary journals can be put through to the income votes.
    - Unutilized deposits are transferred daily from account SDP1005 to the relevant income vote.
    - Officials adhere to Council policy at all times and negligence must be accounted for as it leads to financial losses which must be recovered.
    - Conduct a comprehensive independent organization and work study to determine the total manpower needed at the Island Resort.

- That Management must ensure improvement of the general condition of the resort and by that:
    - Compile a maintenance plan on all assets and inventory.
    - Proper execution and monitoring of implementation of maintenance plan.
    - Visitors to be held accountable for assets and inventory.
    - Compile a detailed action plan to address the defects at the resort.
    - Investigation to possible grants for the upgrading of the resort.
    - Motivation to Council to increase maintenance plan during the budget process.
    - Staff to accept responsibility for tasks.
    - Regular inspections by management.
    - Inspection on all lighting equipment.

Secretariat: (Halls)

- That Management must enforce internal control measures over the hiring of halls and should ensure:
  - That a register be implemented and completed for all hiring for control as well as audit purposes.
  - That inspection forms be completed at all times to determine if any damages must be deducted from the indemnity deposit;
  - Application forms be completed at all times which must be signed by the lessee as proof of accepting Council's terms and conditions;
  - The immediate supervisor conducts regular reviews on the hall registers as well as supporting documentation.
  - That Council policy is properly implemented in order to mitigate the risk of financial losses and damage to Council property without compensation.
  - Officials adhere to sound financial controls and not avail the hall without the full amount being paid.
  - Fees must be paid promptly before tables and chairs are rented.
  - Timeous reconciliations must be performed to ensure proper control over rental deposits.

Employee costs:

- That Management should ensure adherence to relevant Policies and legislation and by that:
  - Ensure that all employees receiving the fixed standby allowance who do not qualify as they are not working extended hours and over weekends and holidays, be held accountable for the overpayment. The allowance must be stopped and the Human Resource department must negotiate for the repayment of the money received by the affected employees.
  - That the quarterly adjustments of the subsidy calculations which must be reviewed by a senior official before submission to the salary office.
  - That all overpayments be deducted from the relevant employees.
  - Do a thorough investigation into the leave system in order to correct all other possible incorrect leave credit allocations.
  - Not to pay out long service bonuses to a Section 56 employee as the regulations do not make provision of it.

- That Management exercise due care with appointments to ensure compliance with legislation and Council Policy.
  - Any consultant must be appointed through the Supply Chain Management Process and not through the payroll system.
  - All appointments made in contradiction with legislation must be condoned by Council to avoid irregular expenditure and audit qualifications.

Finance Creditors:

- Proper procedures must be developed to ensure correct administration of retention fees including the payment thereof.
- The Supply Chain Management unit must ensure adherence to legislation before printing and approving an order as this is the control mechanism for a decentralised supply chain process.
- The Supply Chain Management unit distribute all circulars issued by National Treasury regarding supply chain processes and expenditure control to line managers.
- Management should ensure adherence to laws and regulations in order to avoid possible irregular, fruitless and wasteful expenditure.
- Management should ensure that business is only conducted with suppliers whose tax clearance certificates are in order and interest is declared.

- That Management should take care to ensure that deviations from the normal supply chain processes are only used in exceptional circumstances (as specified by legislation and Council policy) and be approved by the Municipal Manager.
- Supply Chain Management must ensure regular reviewing of all the suppliers registered on the supply chain database to ensure correctness and completeness of supplier information.

Revenue:

- That the investigation be done to correct the electricity tariffs of non-indigent consumers.
- That an action plan be implemented to install water meters to ensure that all consumers pay for actual consumption.
- Proper controls must be implemented to ensure that all free services are cancelled when an indigent consumer is disqualified.
- Traffic fines must be in line with the approved tariffs and must be reviewed by a senior official.
- The handling of representations with regards to traffic fines must be in line with legislation.
- All property of Council must be rented or sale for at market related values.
- Proper procedures must be implemented to ensure that the bank reconciliation is correct and a true reflection.
- The rolling of money by pre-paid electricity vendors must be prohibited.
- Cancellations of pre-paid transactions must just be done by the supervisor.

IT:

- Investigation must be lodge to ensure that access to the financial system is in line with the responsibilities.
- IT must take full responsibility to ensure that back-ups are made for all systems. Training must be given to departments where servers are not in the possession of IT where after IT must play a monitoring role.
- As an environmental control, all servers must be kept in a fire retardant room and fire extinguishers should be inspected annually.
- In order to ensure that critical data does not get lost, UPS's must be installed at all pay points, be maintained and tested on a regular basis.
- An action plan must be compiled by IT to ensure regular testing of UPS's, timeously service of fire extinguishers and the relocation of servers to a fire retardant room.

To ensure that the municipality will receive a better audit outcome:

- The financial statements to be provided to the Audit Committee in advance for the review.
- No leave to be taken by officials in management positions.
- That the progress made on the audit recovery plan be tabled at every Audit Committee meeting.
- The municipality must investigate the possibility to purchase a software program for the compilation of financial statements.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2013 to 30 June of 2014		
Position	**Name**	**Description of Financial interests*** (Nil / Or details)
(Executive) Mayor	Limakatso Alfonsina Koloi	Nil
(Executive) Speaker	Thomas Basson	Nil
Member of Exco	K de Wee	Nil
	Monica Kock till 31.03.2014	Nil
	Micheal Segede	Nil
	JL Snyman	Nil
	Ellen Allies from	Nil
Councillor	Joseph Martin van Wyk	Nil
	J Assegaai	Nil
	M Andreas	Nil
	M Plaaitjies	Nil
	PJ Brandt	Nil
	DZ Ntlanganiso	Nil
	J Moya	Nil
	SP May	Nil
	J Isaacs	Nil
	J Thomas	Nil
	Melvin Gerald Brand	Nil
	Elize Mnyaka	Nil
	Andries Jeremia van Rooyen	Nil
	Alice van Wyk	Nil
	Elliot Mxolisi Lebitsa	Nil
	Ragal George	Nil
	Ishelley Ivor Seaward Schlesinger Selborne	Nil
	Martha Magdelena Abels	Nil
	Philippus Theodorus van der Steen	Van der Steen Pomp en Pyp CC Jesu Nkosi Monuments CC
	Ivon van Wyk	Centowell CC
	Elizabeth Munnik	Nil

Municipal Manager	Willem Jacobus Benjamin Engelbrecht	Dataforce Trading 243 (Pty) Ltd deolo CC Megeda Business Enterprises CC Namtec Investments CC B Estate Developers CC
Chief Financial Officer (Acting on 30 June 2012)	Ruaan Frederich Strauss	Strauss Business Consultancy CC
Chief Financial Officer (Apointed on 1 October 2012)	Gaylene Schneider	Nil
Deputy MM and (Executive) Directors	Carol Newman	Nil
Director Infrastructure Development	Hendrik Andries Auret	Nil
Director Community Services	Myner Gudlani Bovu	Planet Waves 12
Other S57 Officials	Vernon Elliot Mfusi	Nil
		T J

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

R' 000

Vote Description	2012/2013	Current Year: 2013/2014			2013/2014 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Manager	16 180	61 170	215	10 048	-508.75%	97.86%
Corporate Services	1 623	8 012	4 700	4 207	-90.45%	-11.72%
Financial Services	139 507	100 700	166 730	174 468	42.28%	4.44%
Development Services	40 589	44 133	39 145	43 190	-2.18%	9.36%
Electro Mechanical Services	181 193	213 418	217 809	218 661	2.40%	0.39%
Civil Engineering Services	63 374	72 732	63 296	71 037	-2.39%	10.90%
Development and Planning Services	7 591	2 314	11 080	10 269	77.47%	-7.90%
Total Revenue by Vote	**450 057**	**502 478**	**502 975**	**531 880**	**5.53%**	**5.43%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source

R '000

Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	48 386	61 170	122 333	58 865	-3.92%	-107.82%
Service Charges - electricity revenue	180 934	213 283	419 899	218 379	2.33%	-92.28%
Service Charges - water revenue	39 087	47 118	91 396	43 722	-7.77%	-109.04%
Service Charges - sanitation revenue	25 249	26 933	53 781	27 782	3.06%	-93.59%
Service Charges - refuse revenue	23 181	24 346	48 609	26 274	7.34%	-85.01%
Rentals of facilities and equipment	6 273	7 018	14 066	8 168	14.08%	-72.20%
Interest earned - external investments	1 259	1 005	1 919	1 165	13.72%	-64.77%
Interest earned - outstanding debtors	1 779	1 682	3 365	1 997	15.74%	-68.53%
Fines	1 584	2 055	2 920	628	-226.98%	-364.71%
Licences and permits	1 681	1 658	3 328	1 642	-0.98%	-102.70%
Agency services	3 198	3 477	6 954	3 458	-0.55%	-101.10%
Transfers recognised - operational	64 139	64 764	133 137	68 748	5.79%	-93.66%
Other revenue	7 788	3 926	13 863	18 025	78.22%	23.09%
Gains on disposal of PPE	1 120	7 000	11 500	3 383	-106.93%	-239.95%
Total Revenue (excluding capital transfers and contributions)	**405 659**	**465 434**	**927 069**	**482 234**	**3.48%**	**-92.24%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Not Applicable

TL.1

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*

R '000

Description	2012/2013	2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2014/2015	2015/2016	2016/2017
Capital expenditure by Asset Class							
Infrastructure - Total	**37 656**	**52 350**	**108 742**	**70 397**	**32 202**	**21 030**	**52 357**
Infrastructure: Road transport - Total	**14 206**	**14 271**	**35 234**	**22 476**	**6 207**	**–**	**–**
Roads, Pavements & Bridges	14 206	14 271	35 234	22 476	6 207	–	–
Storm water	–	–	–	–	–	–	–
Infrastructure: Electricity - Total	**21 714**	**15 050**	**28 655**	**13 516**	**5 429**	**13 398**	**24 002**
Generation	–	–	–	–	–	–	–
Transmission & Reticulation	21 714	15 050	28 655	13 516	5 429	13 398	24 002
Street Lighting	–	–	–	–	–	–	–
Infrastructure: Water - Total	**1 262**	**10 376**	**29 069**	**25 138**	**14 776**	**5 000**	**–**
Dams & Reservoirs	63	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–
Reticulation	1 199	10 376	29 069	25 138	14 776	5 000	–
Infrastructure: Sanitation - Total	**472**	**11 252**	**15 274**	**9 247**	**5 790**	**2 632**	**28 355**
Reticulation	472	6 862	15 274	9 247	2 856	2 632	28 355
Sewerage purification	–	4 390	–	–	2 933	–	–
Infrastructure: Other - Total	**–**	**1 400**	**510**	**20**	**–**	**–**	**–**
Waste Management	–	–	–	–	–	–	–
Transportation	–	–	510	20	–	–	–
Gas	–	–	–	–	–	–	–
Other	–	1 400	–	–	–	–	–
Community - Total	**12 170**	**3 735**	**17 438**	**10 470**	**9 451**	**7 039**	**2 578**
Parks & gardens	7 796	491	4 806	3 770	4 727	4 474	2 578
Sportsfields & stadia	2 639	2 455	12 619	6 700	4 724	2 566	–
Swimming pools	–	–	14	–	–	–	–
Community halls	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–
Cemeteries	1 735	790	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*

R '000

Description	2012/2013	2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2014/2015	2015/2016	2016/2017
Capital expenditure by Asset Class							
Infrastructure - Total	**6 877**	**300**	**7 920**	**5 778**	**400**	**–**	**–**
Infrastructure: Road transport -Total	6 454	–	6 838	5 236	–	–	–
Roads, Pavements & Bridges	6 454	–	6 838	5 236	–	–	–
Storm water	–	–	–	–	–	–	–
Infrastructure: Electricity - Total	–	–	–	–	–	–	–
Generation	–	–	–	–	–	–	–
Transmission & Reticulation	–	–	–	–	–	–	–
Street Lighting	–	–	–	–	–	–	–
Infrastructure: Water - Total	327	300	531	293	400	–	–
Dams & Reservoirs	–	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–
Reticulation	327	300	531	293	400	–	–
Infrastructure: Sanitation - Total	96	–	551	249	–	–	–
Reticulation	44	–	252	15	–	–	–
Sewerage purification	52	–	299	234	–	–	–
Infrastructure: Other - Total	–	–	–	–	–	–	–
Waste Management	–	–	–	–	–	–	–
Transportation	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Community	**–**	**250**	**–**	**–**	**–**	**–**	**–**
Parks & gardens	–	–	–	–	–	–	–
Sportsfields & stadia	–	–	–	–	–	–	–
Swimming pools	–	250	–	–	–	–	–
Community halls	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–
Recreational facilities	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Heritage assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Buildings	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–

Table continued next page

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	2012/2013	2013/2014			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2014/2015	2015/2016	2016/2017
Capital expenditure by Asset Class							
Investment properties	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Other assets	**184**	**3 675**	**1 340**	**1 342**	–	–	–
General vehicles	–	3 470	1 327	1 327	–	–	–
Specialised vehicles	–	–	–	–	–	–	–
Plant & equipment	–	205	–	–	–	–	–
Computers - hardware/equipment	89	–	9	9	–	–	–
Furniture and other office equipment	95	–	5	6	–	–	–
Abattoirs	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–
Other Buildings	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Agricultural assets	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–
List sub-class	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–
Computers - software & programming	–	–	–	–	–	–	–
Other *(list sub-class)*		–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	**7 061**	**4 225**	**9 260**	**7 120**	**400**	–	–
Specialised vehicles	–	–	–	–	–	–	–
Refuse				–	–	–	–
Fire				–	–	–	–
Conservancy				–	–	–	–
Ambulances				–	–	–	–

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)* T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Capital Programme by Project: 2013/2014					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - OB) %	Variance (Act - Adj) %
Water	**10 676**	**29 599**	**25 513**	**58%**	**-16%**
Set up tanks algae treatment & Filters water works	–	292	–	n/a	-100%
Bou van muur van maak van plot	–	288	–	n/a	-100%
Opgradering van Watersisteme	–	330	287	100%	-15%
Rouwaterpomp by waterwerke	–	870	870	100%	0%
Vervang Uitgediende Pompe	–	6	3	100%	-99%
Vervang Uitgediende Pompe, Skakeltuig, Kleppe	–	4	3	100%	-35%
A H September Water Treatment Works	10 076	11 001	2 031	-396%	-442%
Bou van kantoor by Waterverspreiding	–	91	–	n/a	-100%
Civil Services Infrastructure for CTHC Project	–	7 819	15 018	100%	48%
Install Water Meters (Pab, R/Dale & L/W)	–	1 354	588	100%	-130%
Provide water on occupied residential sites	300	125	121	-148%	-4%
Replace worn-out water pipelines	300	100	–	-100%	-100%
Water Connections (425 Erwe Paballelo)	–	5 980	4 613	100%	-30%
Waternetwerke (Paballelo En Rosedale Plakkers)	–	1 341	101	100%	-1229%
Ontwerp van siviele dienste vir Rosedale, Paballelo, Louisvaleweg & Dakotaweg	–	–	1 796	100%	100%
Logger vir meet waterdrukke en vloeisnelhede	–	–	83	100%	100%
Sanitation/Sewerage	**6 862**	**15 297**	**9 499**	**28%**	**-61%**
Extension Of Louisvale Road Sewerage Works (Mig) (1155)	–	4 677	–	n/a	-100%
Vervang Uitgediende Pompe, Skakeltuig, Kleppe	–	252	234	100%	-8%
Avelanche Fiets	–	3	3	100%	0%
Vervang uitgediende meters	–	39	–	n/a	-100%
Enlarge main sewerage drainage line	6 862	9 366	9 247	26%	-1%
Upgrade Main Sewerage Line (Dawid Street, Pab)	–	299	15	100%	-1875%
Verlenging van Rioollyn - Myles Keidebees	–	55	–	n/a	-100%
Water- en Riooldienste - 81 erwe	–	607	–	n/a	-100%
Electricity	**15 050**	**28 655**	**13 516**	**-11%**	**-112%**
11kV feeder from Charlie substation to CS2	–	313	167	100%	-87%
Electrical Services for CTHC Development	–	8 328	129	100%	-6368%
Electrification projects of new Developments. 125 Connections In Paballelo	–	285	133	100%	-115%
Electrification projects of new Developments. 150 Connections in Rosedale (North)	–	1 382	1 366	100%	-1%
Electrification projects of new Developments. 350 Connections in Rosedale (North)	2 649	1 752	783	-238%	-124%
Electrification projects of new Developments. 375 Connections In Paballelo	6 623	6 623	5 657	-17%	-17%
Electrification projects of new Developments. 324 Connections in Smartie Valley	5 722	5 722	3 803	-50%	-50%
Electrification projects of new developments. 475 Connection in Rosedale (South)	–	1 883	1 331	100%	-41%
Elektriese dienste na 81 erwe (Upington 26 / MKMVA)	–	334	136	100%	-145%
Equipment of monitoring of supply quality	–	350	–	n/a	-100%

Nuwe Vooruitbetaalmeters	28	28	4	-539%	-539%
Opgradeer van hooftoevoernetwerk	–	301	–	n/a	-100%
Upgrade main supply network connection to Delta	–	1 107	–	n/a	-100%
Upgrading of networks	–	220	6	100%	-3320%
Vooruitbetaalmeters (Hulpbehoewendes)	28	28	–	-100%	-100%
Roads	**15 149**	**46 200**	**27 724**	**45%**	**-67%**
Office Equipment (MIG)	–	15	–	n/a	-100%
Connection road between Rosedale and Paballelo	14 271	23 735	17 789	20%	-33%
Kalksloot Access Road (MIG)	–	1 504	946	100%	-59%
Louisvale Dorp Access Road (MIG)	–	661	268	100%	-146%
Paving Streets Paballelo (EPWP Project)	–	2 265	669	100%	-239%
Plavei Van Toegangspad (Leseding)(MIG)	–	1 509	11	100%	-14075%
Raaswater Access Road (MIG)	–	1 157	454	100%	-155%
Resealing of street	–	838	–	n/a	-100%
Resealing of street (Phase 3)	–	6 000	5 236	100%	-15%
Upgrade CBD storm water system	–	160	–	n/a	-100%
Bou van kantoor by Strate en Stormwater	–	16	(0)	100%	31289%
Steenbreker	–	45	39	100%	-15%
Airconditioner	–	14	6	100%	-143%
Jackhammer	–	26	–	n/a	-100%
Mobiele Toilet	–	25	–	n/a	-100%
Plate Compactor	–	16	–	n/a	-100%
Improvement of Road Safety of Schröder Street	877	3 861	1 637	46%	-136%
Paving of Streets and Upgrading of Storm Water in Smartie Valley - Rosedale	–	4 352	678	100%	-541%
Second entrance to Paballelo	–	–	(9)	100%	100%
Economic development	**–**	**510**	**20**	**100%**	**-2403%**
Upgrade of Long Distance Taxi Rank	–	510	20	100%	-2403%
Sport and Recreation	**2 945**	**17 307**	**10 543**	**72%**	**-64%**
Aborcity 2012 Park: Paballelo	–	207	286	100%	28%
Fencing of Park: Kalksloot	100	425	359	72%	-18%
Fencing of Park: Kameelmond	41	8	229	82%	97%
Fencing of Park: Karos	–	411	–	n/a	-100%
Fencing of Park: Lambrechtsdrift	–	553	499	100%	-11%
Fencing of Park: Leerkrans	100	603	367	73%	-64%
Fencing of Park: Leseding	50	442	357	86%	-24%
Development of Park: Milleniumpark Erf 19807	50		–	-100%	-100%
Fencing of Park: Louisvaleweg (Erf 428)	–	245	99	100%	-146%
Fencing of Park: Louisvaleweg (Erf 890)	–	491	386	100%	-27%
Fencing of Park: Ntsikelelo	50	496	406	88%	-22%
Fencing of Park: Raaswater	100	591	482	79%	-23%
Fencing of Park: Rondomskrik	–	75	56	100%	-34%
Prefab Toilet: 17 Park	–	2	–	n/a	-100%
Prefab Toilet: Arcacia & Ebbehout	–	2	–	n/a	-100%
Prefab Toilet: Disa Park	–	2	–	n/a	-100%
Prefab Toilet: Hospital Park	–	2	–	n/a	-100%
Prefab Toilet: Modesta Park	–	2	–	n/a	-100%
Upgrading of Irrigation Systems for Small Parks	–	113	170	100%	33%
Wooden Poles: Monument Park	–	3	1	100%	-462%
Construction of Screening Wall at Bellvue Swimming Pool	–	14	–	n/a	-100%
Grass Moving Machine	–	(5)	–	n/a	-100%
MIB Back Chair	–	1	–	n/a	-100%
Hisense TV Unit	–	5	–	n/a	-100%
Ablution Facilities at Kalksloot Sportsfield	–	344	305	100%	-13%

Ablution Facilities at Karos Stadium	–	368	320	100%	-15%
Community Sport Facilities for the YDVS Programme (Phase 1)	–	232	3 489	100%	93%
Community Sport Facility: SFC Programme Dakota	–	771	–	n/a	-100%
Community Sport Facility: SFC Programme L / dorp	–	645	135	100%	-379%
Community Sport Facility: SFC Programme Paballelo	–	2 093	–	n/a	-100%
Community Sport Facility: SFC Programme Raaswater	–	1 648	429	100%	-284%
Community Sport Facility: SFC Programme Rainbow	–	1 247	–	n/a	-100%
Community Sport Facility: SFC Programme Rosedale	–	949	–	n/a	-100%
Development of New Sportground: Lambrechtsdrift	978	1 265	754	-30%	-68%
Development of New Sportground: Louisvale Dorp	1 443	1 700	703	-105%	-142%
Development of New Sportground: Ntsikelelo	34	322	–	n/a	-100%
Upgrading - Kalksloot Sport Grounds (Lotto)	–	48	48	100%	0%
Upgrading - Karos Sport Grounds (Lotto)	–	987	518	100%	-91%
DSTV Decoders	–	–	2	100%	100%
Zero Turn Lawn Movers	–	–	145	100%	100%
Public Safety	**660**	**132**	**21**	**-2996%**	**-518%**
2 x e-Natis Document Printer	–	39	–	n/a	-100%
2 x e-Natis Query Printer	–	15	–	n/a	-100%
4 x 19" LCD Monitor		13	–	n/a	-100%
4 x e-Natis Work stations	–	41	–	n/a	-100%
Handradios's	–	4	–	n/a	-100%
TCS Server	–	20	20	100%	0%
Cemetories and Crematoriums	**330**	**–**	**–**	**-100%**	**n/a**
Extension of Cemetry at Paballelo	330	–	–	-100%	n/a
Planning Services	**–**	**–**	**1**	**100%**	**100%**
WD Element 500GB USB	–	–	1	100%	100%
ICT	**–**	**514**	**4 741**	**100%**	**89%**
Backup System	–	1	1	100%	0%
Laptop (MIG Grant)	–	7	7	100%	0%
Netwerkkommunikasie na derde party punte	–	38	15	100%	-160%
Postflex Printer	–	2	2	100%	0%
5 x D-Term Telephones (LCU Unit)	–	6	–	n/a	-100%
HP Laserjet Printer	–	4	4	100%	0%
Laser Printer (MIG Grant)	–	1	1	100%	0%
Property and Other Admin	**–**	**5 735**	**5 242**	**100%**	**-9%**
Improvements At Workshop	–	1 527	1 226	100%	-24%
1.6 500 Kg LAW voldeur Kappie (0025) (Vakante Pos)	–	121	121	100%	0%
2 Ton Crew Cab Trok met Drarak (0048) (Vakante Pos)	–	1 485	1 485	100%	0%
2 Ton Crew Cab Trok met Drarak (0067)	–	371	371	100%	0%
500 Kg Law (Oorrol)	–	113	113	100%	0%
7 000 L Vacuum Tanker (0028)	–	955	955	100%	0%
Grass Mowing Machine	–	73	–	n/a	-100%
Mobiele Diesel Pomp	–	30	–	n/a	-100%
Zero Turn Lawn Mower	–	163	73	100%	-124%
Mobiele Kraan	–	898	898	100%	0%
Financial Services	**–**	**196**	**124**	**100%**	**-58%**
IMQS - Durcharme Moveable Asset System	–	30	–	n/a	-100%
Installation of Electrical Gate	–	13	–	n/a	-100%
Rekeningdrukker	–	153	117	100%	-31%
8 x High Back Chairs SCM	–	–	7	100%	100%
Executive and Council	**2 445**	**2 065**	**1 009**	**-142%**	**-105%**
Wyk 08: Park by Dakotaweg	–	59	–	n/a	-100%
Wyk 09: Park in Keidebees (Luxmanweg)	–	25	25	100%	0%

Wyk 8: Development of Park at Diedrick Woonstelle	–	49	49	100%	0%
Wyk 06: Aanbring van spoedhobbels by Weston-, Omega-, Khambule- en Shimanestraat	–	24	24	100%	-3%
Wyk 9: Creation of acres and paving in Aubrey Beukes Avenue	–	4	9	100%	51%
Wyk 02: Kantoorgebou vir raadslid / wykkomitee	–	99	99	100%	0%
Wyk 04: Kantoorgebou vir raadslid / wykkomitee	–	115	108	100%	-7%
Wyk 04: Palisade Omheining by Wykskantoor	–	49	49	100%	0%
Wyk 07: Kantoorgebou vir raadslid / wykkomitee	–	31	31	100%	0%
Wyk 11: Kantoorgebou vir raadslid / wykkomitee	–	27	27	100%	0%
Wyk 13: Aankoop van materiaal vir palisade omheining	–	41	41	100%	0%
Wyk 13: Kantoorgebou vir raadslid / wykkomitee	–	172	162	100%	-6%
Wyksprojek Wyk 1: Oprigting van gebou ND Swartz gebou	–	121	95	100%	-27%
Wyk 12: Aankoop van Gedeelte 348 (Plaas Mooirivier)	–	270	270	100%	0%
Unallocated Assets	1 045	978	–	n/a	-100%
Wyk 01: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 02: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 03: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 04: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 05: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 06: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 07: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 08: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 09: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 10: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 11: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 12: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 13: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Wyk 14: Nie-Toegekende Wyksprojekte	100	–	–	n/a	n/a
Conference Table	–	–	12	100%	100%
20 x Chairs Councillors Offices	–	–	8	100%	100%
Libraries and Other Community	**276**	**547**	**1**	**-20890%**	**-41472%**
4 Draw Filing Cabinet	–	3	–	n/a	-100%
Blinds (Forum)	–	21	–	n/a	-100%
Chairs	–	0	–	n/a	-100%
Copy Maschine	–	36	–	n/a	-100%
Curtains (Forum Library)	–	7	–	n/a	-100%
Display Case (Paballelo)	–	3	–	n/a	-100%
Display Shelve for Magazines (Forum)	–	2	–	n/a	-100%
Electrical Work at Forum Library	–	110	–	n/a	-100%
File Cabinets	–	4	–	n/a	-100%
File Cabinets	–	2	–	n/a	-100%
Guillotine	–	1	–	n/a	-100%
Improve Containers libraries	–	80	–	n/a	-100%
Laminators	–	1	–	n/a	-100%
Open Shelf	–	2	–	n/a	-100%
Open Shelf	–	8	–	n/a	-100%
School Desk (Rosedale)	–	0	–	n/a	-100%
Scool Desk (Rosedale)	–	3	–	n/a	-100%
Study Tables	–	1	–	n/a	-100%
Home Theatre	–	–	1	100%	100%
Unallocated Assets (Library Grant)	276	263	–	-100%	-100%
					T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: 2013/14 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Set up tanks algae treatment & Filters water works	9	No
Bou van muur van maak van plot	12	No
Rouwaterpomp by waterwerke	9	Yes
A H September Water Treatment Works	9	No
Bou van kantoor by Waterverspreiding	8	No
Civil Services Infrastructure for CTHC Project	8	Yes
Install Water Meters (Pab, R/Dale & L/W)	5, 6, 7, 10 and 13	No
Provide water on occupied residential sites	All Wards	No
Water Connections (425 Erwe Paballelo)	13	No
Waternetwerke (Paballelo En Rosedale Plakkers)	10,13	Yes
Ontwerp van siviele dienste vir Rosedale, Paballelo, Louisvaleweg & Dakotaweg	1, 5, 6, 8, and 10	No
Sanitation/Sewerage		
Extension Of Louisvale Road Sewerage Works (Mig) (1155)	5	No
Enlarge main sewerage drainage line	1 and 10	Yes
Upgrade Main Sewerage Line (Dawid Street, Pab)	7	No
Verlenging van Rioollyn - Myles Keidebees	9	No
Water- en Riooldienste - 81 erwe	6 and 13	Yes
Electricity		
Electrical Services for CTHC Development	9	Yes
Electrification projects of new Developments. 125 Connections In Paballelo	13	Yes
Electrification projects of new Developments. 150 Connections in Rosedale (North)	10	Yes
Electrification projects of new Developments. 350 Connections in Rosedale (North)	10	No
Electrification projects of new Developments. 375 Connections In Paballelo	13	No
Electrification projects of new Developments. 324 Connections in Smartie Valley	1	No
Electrification projects of new developments. 475 Connection in Rosedale (South)	10	Yes
Elektriese dienste na 81 erwe (Upington 26 / MKMVA)	13	Yes
Equipment of monitoring of supply quality	All	No
Opgradeer van hooftoevoernetwerk	All	No

Upgrade main supply network connection to Delta	All	No
Upgrading of networks	All	Yes
Roads		
Connection road between Rosedale and Paballelo	10	No
Kalksloot Access Road (MIG)	11	No
Louisvale Dorp Access Road (MIG)	12	Yes
Paving Streets Paballelo (EPWP Project)	13	No
Plavei Van Toegangspad (Leseding)(MIG)	12	No
Raaswater Access Road (MIG)	12	Yes
Resealing of street	4, 7, 8 and 9	Yes
Resealing of street (Phase 3)	4, 7, 8 and 9	Yes
Bou van kantoor by Strate en Stormwater	8	No
Improvement of Road Safety of Schröder Street	8 and 9	No
Paving of Streets and Upgrading of Storm Water in Smartie Valley - Rosedale	1	No
Second entrance to Paballelo	6	Yes
Economic development		
Upgrade of Long Distance Taxi Rank	8	In Progress
Sport and Recreation		
Aborcity 2012 Park: Paballelo	6	Yes
Fencing of Park: Kalksloot	12	Yes
Fencing of Park: Kameelmond	11	No
Fencing of Park: Karos	14	Yes
Fencing of Park: Lambrechtsdrift	14	Yes
Fencing of Park: Leerkrans	14	Yes
Fencing of Park: Leseding	12	Yes
Development of Park: Milleniumpark Erf 19807	10	No
Fencing of Park: Louisvaleweg (Erf 428)	5	Yes
Fencing of Park: Louisvaleweg (Erf 890)	5	No
Fencing of Park: Ntsikelelo	14	Yes
Fencing of Park: Raaswater	12	Yes
Fencing of Park: Rondomskrik	5	No
Upgrading of Irrigation Systems for Small Parks	9 and 11	Yes
Wooden Poles: Monument Park	3	Yes
Construction of Screening Wall at Bellvue Swimming Pool	3	Yes
Ablution Facilities at Kalksloot Sportsfield	11	Yes
Ablution Facilities at Karos Stadium	14	Yes
Community Sport Facilities for the YDVS Programme (Phase 1)	3	In Progress
Community Sport Facility: SFC Programme Dakota	8	In Progress
Community Sport Facility: SFC Programme L / dorp	12	In Progress
Community Sport Facility: SFC Programme Paballelo	6	In Progress
Community Sport Facility: SFC Programme Raaswater	12	In Progress
Community Sport Facility: SFC Programme Rainbow	3	In Progress

Community Sport Facility: SFC Programme Rosedale	10	In Progress
Development of New Sportground: Lambrechtsdrift	14	Project Stopped
Development of New Sportground: Louisvale Dorp	12	Project Stopped
Development of New Sportground: Ntsikelelo	14	No
Upgrading - Kalksloot Sport Grounds (Lotto)	11	Yes
Upgrading - Karos Sport Grounds (Lotto)	14	Yes
Cemetories and Crematoriums		
Extension of Cemetry at Paballelo		No funds available
Executive and Council		
Wyk 08: Park by Dakotaweg	8	Yes
Wyk 09: Park in Keidebees (Luxmanweg)	9	Yes
Wyk 8: Development of Park at Diedrick Woonstelle	8	Yes
Wyk 06: Aanbring van spoedhobbels by Weston-, Omega-, Khambule- en Shimanestraat	6	
Wyk 9: Creation of acres and paving in Aubrey Beukes Avenue	9	
Wyk 02: Kantoorgebou vir raadslid / wykkomitee	2	
Wyk 04: Kantoorgebou vir raadslid / wykkomitee	4	
Wyk 04: Palisade Omheining by Wykskantoor	4	
Wyk 07: Kantoorgebou vir raadslid / wykkomitee	7	
Wyk 11: Kantoorgebou vir raadslid / wykkomitee	11	
Wyk 13: Aankoop van materiaal vir palisade omheining	13	
Wyk 13: Kantoorgebou vir raadslid / wykkomitee	13	
Wyksprojek Wyk 1: Oprigting van gebou ND Swartz gebou	1	
Wyk 12: Aankoop van Gedeelte 348 (Plaas Mooirivier)	12	
Wyk 14: Nie-Toegekende Wyksprojekte	14	
		T O

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (NAMES, LOCATIONS)				
Frank Biggs Primary School (38/114)		X		
Swarthmore Primary School (230/38)		X		
Leerkrans Primary School (43)		X		
Kalksloot Primary School (774)		X		
Karos Primary School (442)		X		
Clinics (NAMES, LOCATIONS)				
Karos Clinic		X		
Leerkrans Clinic		X		
Raaswater Clinic		X		
Kalksloot Clinic		X		
				T P

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Commmunity where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics:	N/A	
Housing:		
Electricity: Raaswater	80 electricity connections (Eskom)	Access to energy for these households is a daily challenge.
Karos	52 electricity connections (Eskom)	
Lambrechtsdrift	36 electricity connections (Eskom)	
Licencing and Testing Centre:	N/A	
Reseviors	N/A	
Schools (Primary and High):		
Karos Primary School	No water-borne toilets	Septic Tank - No infrastructure
Frans Biggs Primary School	No water-borne toilets	Septic Tank - No infrastructure
Sports Fields:	N/A	
		T Q

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: 2013/2014				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2012/2013 R' 000	Total Amount committed over previous and future years
Donations	**Grant**	**None**	**330**	**21**
South Africa Football Association	Donation	None	200	n/a
Vlytige Bejaardes	Donation	None	10	n/a
Transport of Dance Group	Donation	None	10	n/a
Batho Pele Helpende Hand	Donation	None	14	n/a
Beyond 200	Donation	None	10	n/a
Funeral Councillor Van Wyk	Donation	None	20	n/a
Other	Donation	None	66	n/a
Indigent Subsidy	**Grant**	**Applicants must comply with the terms and conditions as per Credit Control and Debt Collection Policy**	**26 879**	**75 373 (1 July 2014 - 30 June 2017)**
No loans are given by the Municipality				
** Loans/Grants - whether in cash or in kind*				T R

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services	Water: House connection total 12146; Stand connection total 4359, and Standpipes total 2426 stands.	21
	Sewerage /Sanitation: 17342 households with basic or higher services 917 households with VIP/UDS toilets	18
	Refuse removal: Total of 21272 households receives service	21
	Electricity: Total of 21469 households are connected	21
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model	Thirteen out of 14 Ward Committees established and 13 ward committees are functional	
Output: Administrative and financial capability		
		T T

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

The Annual Financial Statements will be provided by the Finance Department under separate cover.

VOLUME III

ANNUAL PERFORMANCE REPORT 2013/2014

AUDIT COMMITTEE REPORT FOR 2013/2014

AUDIT COMMITTEE REPORT FOR 2013/14 FINANCIAL YEAR

Annual Report of the Audit Committee
The Audit Committee takes pleasure in presenting its annual report for the financial year ended 30th June 2014.

Audit committee members and attendance
During the 2013/14 financial year the audit committee comprised out of three members listed below and met ten times although legislation requires 4 meetings.

	Committee member	Meetings scheduled	Meetings Attended
1.	M van Wyk (Chairperson)		
2.	JC Nel		
3.	L More		

Two of the audit committee members are serving for a second term as members of the Audit Committee which will end by August 2014.

LEGISLATIVE MANDATE
Section 166 of the MFMA, Act No 56 of 2003 requires from the Audit Committee amongst other matters:

"To advise the Municipal Council, Political office bearers, the Accounting officer and management staff on matters relating to:-

a. *Performance management and evaluation,*
b. *Internal financial control and internal audits.*
c. *Risk Management.*
d. *Accounting policies.*
e. *The adequacy, reliability and accuracy of financial reporting and information.*
f. *Effective governance*
g. *Compliance with MFMA, DORA and any other applicable legislation."*

AUDIT COMMITTEE AND MANAGEMENT RESPONSE

1. PREDETERMINED OBJECTIVES AND EVALUATION

The performance indicators are audited on a quarterly basis by Internal Audit. This audit consists out of various tests like:

Determine if the indicators are SMART,
If there a linkage between the IDP, Budget and SDBIP,
If objectives are met,
Reliability of the information in the SDBIP.

The audit reports consist out of the findings and recommendations and are tabled to the Audit Committee. During the financial year, Internal Audit also test the reliability of the information disclosed in the Annual Report against the IDP and SDBIP. The committee resolved that all performance evaluation of the Section 56 employees must be tabled to the committee before it will be reviewed by the panel as required by legislation.

2. ADVISING TO COUNCIL AND ACCOUNTING OFFICER

All reports of the Audit Committee are tabled before the Executive Committee and Council on a regular basis after every meeting. These reports cover activities and findings, areas of concern and recommendations of the Audit Committee.

3 ADVISING OF MUNICIPAL STAFF

When discussing audit reports, the relevant managers are invited to attend the Audit Committee meeting. These platforms are used to communicate the findings of Internal Audit, the view of the Audit Committee and the recommendations of the committee to address the findings.

4. INTERNAL FINANCIAL CONTROL

During the previous year the Auditor General made several findings and recommendations to improve internal control. Based on the findings in the management report, management compiled an audit recovery plan to address the findings. The plan was monitored by the Audit Committee and the Executive Committee on a regular basis. Internal Audit conducted regular audits on the implementation of the audit recovery plan.

5. INTERNAL AUDITS

The Internal audit department functions effectively. All reports issued by Internal Audit are tabled to the Audit Committee and implementation of recommendations is enforced by the committee. Progress on the implementation on the pre- approved audit plan is monitored by the audit committee on a quarterly basis.

6. RISK MANAGEMENT

All departmental heads together with the Risk Officer have identified their major departmental risks which are recorded in the Risk register as well as mitigating factors to manage risks. The results of the risk assessments form the basis of the risk based audit plan.

7. FINANCIAL REPORTING AND INFORMATION

A 'Clean Audit' annual report

The municipality is striving towards a better outcome and to achieve a clean audit during 2014. Council, the Audit Committee and management are committed to a clean audit and therefore monitor the progress of the audit recovery plan very closely.

Review of annual financial statements

The Audit Committee reviewed the annual financial statements prior to submission to the Auditor General.

8. ELECTRICITY AND WATER LOSSES

The electricity losses for the 2012/13 financial year amounts to R11 847 978 against 2013/14 which is R13 000 696.

The water losses for the 2012/13 financial year amounts to R11 033 728 against 2013/14 which is R11 303 893.

9. OTHER MFMA REQUIREMENTS

All other MFMA requirements of the Audit Committee are dealt with at the pre-scheduled meetings with senior management.

Annual audit and reports of the Auditor General

The audit outcome for the 2012/13 financial year was a qualified opinion which is an improvement from a disclaimer during the 2011/12 financial year. This is still disappointing and therefore the findings were used to compile a detailed audit recovery plan which served as a sound base from which to build up and reinforce internal controls of the Municipality for the year 2013/14 in the attempt once again to gain the elusive `Clean Audit' award. To ensure a better audit process than the previous financial year, the Chief Financial Officer managed the audit process. The municipality received a …… opinion for the 2013/14 financial year.

Audit committee responsibilities
The Audit committee reports that it has complied with its responsibilities as far as practically possible, arising from Section 166 (2) of the MFMA No 56 of 2003.

Audit committee charter
The Audit committee has reviewed its Audit Charter for the 2013/14 year. It confirms that it has performed its responsibilities during the 2013/14 financial year in line with the terms of the Audit Committee Charter.

M van Wyk (Mrs)
Chairperson Audit committee

AUDIT RECOVERY PLAN 2013/2014

Project OPCAR (Operation Clean Audit Report) - 2012/2013

Joint Action Item List (JAIL)

Chairman: **CFO - G M SCHREINER**

Date:

Task identified	
Work in progress	
Completed	

Purpose: *The purpose of the JAIL is to track the allocation and status of project actions*

	No.	Item	Impact on Audit Report	Classification	Target Date	Revised Date	Prog%	Responsibility	GFS Directorate	Director	GFS Department within the Municipality	Remarks
1	1.	Ex.108 - PPE: Infrastructure asset prices not found for valuation.	Qualification	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
2	2.	Ex.118: PPE: Infrastructure assets valuation difference	Qualification	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
3	3.	Ex.126: PPE: Land and buildings assets not able to test valuation	Qualification	Financial	18-Jul-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
4	4.	Ex.132: Investment Property: Valuation cannot be confirmed	Qualification	Financial	18-Jul-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
5	5.	Ex:45: Investment property: Deed Search: Property not on asset register	Qualification	Financial	30-Jun-14		83%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
6	6.	Ex.106: Going concern: Emphasis of Matter	Emphasis of Matters	Internal Control	30-Jun-14		67%	Municipal Manager: D Ngxanga		D Ngxanga	Municipal Manager	
7	7.	Ex.120: Compliance: Material corrections to the financial statements	Emphasis of Matters	Compliance	30-Jun-14		90%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
8	8.	Ex.40: Distribution losses	Emphasis of Matters	Financial	30-Jun-14		18%	Director Infrastructure Development: H Auret		H A Auret	Water Distribution	
9	9.	Ex.128: Emphasis of matter: Unspent Grants: Material under spending identified	Emphasis of Matters	Performance Information	30-Jun-14		100%	Director Infrastructure Development: H Auret		H A Auret	Electricity Distribution	
10	10.	Ex.49: Compliance: Unauthorised and irregular expenditure	Emphasis of Matters	Compliance	30-Jun-14		90%	Head SCM: E Esau & Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
11.	11.	Ex.116: Internal control: Prepaid electricity sales do not agree to the reconciliations performed	Other Important Matters	Internal Control	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
12.	12.	Ex.84: Internal control: Recommendation - Input VAT	Other Important Matters	Internal Control	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
13.	13.	Ex.33: Compliance: Fringe benefit not calculated on below market value rent	Other Important Matters	Compliance	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
14.	14.	Ex.53: Compliance: UIF contribution incorrectly recalculated	Other Important Matters	Compliance	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
15.	15.	Ex.137: PPE: Property not in the name of the municipality on the deed search.	Other Important Matters	Financial	30-Jun-14		60%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
16.	16.	Ex.20: PPE: Community assets that could not be physically verified	Other Important Matters	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
17.	17.	Ex.22: PPE: Valuation of PPE not accurate due to being covered by tar	Other Important Matters	Financial	30-Jun-14		60%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
18.	18.	Ex.24: PPE: Reclassification and Impairment of tennis court	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
19.	19.	Ex.27: PPE: Land and Buildings: Unbundling of assets	Other Important Matters	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
20.	20.	Ex.35: PPE: Developed land classified as undeveloped	Other Important Matters	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	

Project OPCAR (Operation Clean Audit Report) - 2012/2013
Joint Action Item List (JAIL)
Chairman: **CFO - G M SCHREINER**
Date:

Task identified
Work in progress
Completed

Purpose: *The purpose of the JAIL is to track the allocation and status of project actions*

	No.	Item	Impact on Audit Report	Classification	Target Date	Revised Date	Prog%	Responsibility	GFS Directorate	Director	GFS Department within the Municipality	Remarks
21.	21.	Ex.38: PPE: Assets not found on the asset register	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
22.	22.	Ex.46: PPE: Assets not adequately insured	Other Important Matters	Performance Information	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
23.	23.	Ex.47: PPE: Deed Search: No agreement for rental of property and classification on investment property	Other Important Matters	Financial	30-Jun-14		80%	Administrative Officer: D van Wyk		C M Newman	Other Admin	
24.	24.	Ex.131: Investments: Non-compliance and contravention with Investment Policy -	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
25.	25.	Ex.25: PPE: Community Assets- Impairment	Other Important Matters	Financial	30-Jun-14		93%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
26.	26.	Ex.26: PPE: Movable Assets not found on the asset register	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
27.	27.	Ex.34: PPE: Auctioned Asset on fixed asset register and at The Eiland Resort	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
28.	28.	Ex.57: Creditors: Unidentified deposits not timeously resolved	Other Important Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
29.	29.	Ex.88: Provisions: Leerkrantz landfill site provision	Other Important Matters	Financial	30-Jun-14		80%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
30.	30.	Ex.16: Internal control: Moveable asset without barcode	Administrative Matters	Internal Control	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
31.	31.	Ex.19: Internal control: No 3rd party confirmations attached to Recon's (Loans)	Administrative Matters	Internal Control	30-Jun-14		87%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
32.	32.	Ex.3: Internal Control: Asset Management Policy (GAMAP)	Administrative Matters	Internal Control	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
33.	33.	Ex.79: Internal control: Creditor reconciliations not always performed	Administrative Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
34.	34.	Ex.9: Internal control: No authorisation for non-standard journal posted	Administrative Matters	Internal Control	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
35.	35.	Ex.68: Intangible Assets: IQMS (EMBARK) software not on the asset register.	Administrative Matters	Financial	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
36.	36.	Ex.127: Compliance: Asset management	Other Matters	Compliance	30-Jun-14		100%	Head Assets and Finance: R Strauss		G M Schreiner	Budget and Treasury Office	
37.	37.	Ex.44: Compliance: Payments not made within 30 days [MFMA S65(2)(e)]	Other Matters	Compliance	30-Jun-14		0%	Municipal Manager: D Ngxanga		G M Schreiner	Budget and Treasury Office	
38.	38.	Ex.119: Employee Costs: Non Compliance in HR	Other Matters	Compliance	30-Jun-14		93%	Senior Manager Human Resources: W George		C M Newman	Human Resources	
39.	39.	Ex.133: Compliance: Annual report not submitted within 7 months	Other Matters	Compliance	30-Jun-14		100%	Snr Administrative Official Committees: J McDuling		C M Newman	Other Admin	

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2012-2013 Audit Recovery Plan

Project OPCAR (Operation Clean Audit Report) - 2012/2013

Joint Action Item List (JAIL)

Chairman: CFO - G M SCHREINER

Date:

Task identified	
Work in progress	
Completed	

Purpose: *The purpose of the JAIL is to track the allocation and status of project actions*

	No.	Item	Impact on Audit Report	Classification	Target Date	Revised Date	Prog%	Responsibility	GFS Directorate	Director	GFS Department within the Municipality	Remarks
40.	40.	EX.135: Compliance: SCM compliance	Other Matters	Compliance	30-Jun-14		90%	Head SCM: E Esau		G M Schreiner	Budget and Treasury Office	
41.	41.	Ex.1: Internal control: Policies not in place	Other Important Matters	Internal Control	30-Jun-14		60%	Senior Manager Human Resources: W George &		C M Newman	Other Admin	
42.	42.	Ex.10: Revenue: Daily reconciliations monies received at Die Eiland are not reviewed and signed by senior officials	Other Important Matters	Internal Control	30-Jun-14		100%	Snr Manager LED, Tourism & Resorts: R Alexander		D Ngxanga	Economic Development/Planning	
43.	43.	Ex.52: Internal control: No employment contact exists for permanent employees	Other Important Matters	Internal Control	30-Jun-14		40%	Senior Manager Human Resources: W George		C M Newman	Human Resources	
44.	44.	Ex.7: Internal control: Commonage land leased without contracts being entered into.	Other Important Matters	Internal Control	30-Jun-14		60%	Manager Secretariat: S Silver		C M Newman	Other Admin	
45.	45.	Ex.114: Compliance: Workbook 1 supporting documentation not submitted	Other Important Matters	Compliance	30-Jun-14		73%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
46.	46.	Ex.124: Compliance: Annual report does not include all items yet	Other Important Matters	Compliance	31-Mar-14		100%	Snr Administrative Official Committees: J McDuling		C M Newman	Other Admin	
47.	47.	Ex.77: Performance audit: Annual report information not accurate	Other Important Matters	Performance Information	31-Mar-14		100%	Snr Administrative Official Committees: J McDuling		C M Newman	Other Admin	
48.	48.	Ex.81: Retentions: Retentions created without agreed contracted %	Other Important Matters	Internal Control	30-Jun-14		100%	Head SCM: E Esau		G M Schreiner	Budget and Treasury Office	
49.	49.	Ex.92: Retentions: Difference between payment certificate and tender	Other Important Matters	Internal Control	30-Jun-14		27%	Head SCM: E Esau		G M Schreiner	Budget and Treasury Office	
50.	50.	Ex.65: Receivables: Existence of debtors could not be confirmed	Other Important Matters	Financial	30-Jun-14		50%	Head Billing and Revenue Collection: N Mhlaba		G M Schreiner	Budget and Treasury Office	
51.	51.	Ex.93: Receivables: Water metres not working properly	Other Important Matters	Internal Control	30-Jun-14		0%	Snr Manager Civil Engineering: J Kock		H A Auret	Water Distribution	
52.	52.	Ex.30: Revenue: No supporting documentation provided for revenue received	Other Important Matters	Financial	30-Jun-14		100%	Manager Traffic Services: O Plaag		M G Bovu	Public safety	
53.	53.	Ex.6: Internal control: Rates reconciliation not reviewed and signed by the head of revenue	Administrative Matters	Internal Control	30-Jun-14		100%	Head Billing and Revenue Collection: N Mhlaba		G M Schreiner	Budget and Treasury Office	
54.	54.	Ex.85: Internal control: Concern regarding value for money from services rendered by Mjila & Partners	Administrative Matters	Internal Control	30-Jun-14		100%	Head Billing and Revenue Collection: N Mhlaba		G M Schreiner	Budget and Treasury Office	
55.	55.	Ex.5: Compliance: Property register not available on the website of the municipality	Administrative Matters	Compliance	30-Jun-14		100%	Head Billing and Revenue Collection: N		G M Schreiner	Budget and Treasury Office	
56.	56.	Ex.141: Internal control: Properties still in the name of Gariep Municipality	Administrative Matters	Internal Control	30-Jun-14		100%	Administrative Officer: D van Wyk		C M Newman	Other Admin	

Project OPCAR (Operation Clean Audit Report) - 2012/2013

Joint Action Item List (JAIL)

Chairman: **CFO - G M SCHREINER**

Date:

Task identified	
Work in progress	
Completed	

Purpose: *The purpose of the JAIL is to track the allocation and status of project actions*

	No.	Item	Impact on Audit Report	Classification	Target Date	Revised Date	Prog%	Responsibility	GFS Directorate	Director	GFS Department within the Municipality	Remarks
57.	57.	Ex.51: Performance audit: Water services	Other Important Matters	Performance Information	30-Jun-14		75%	Snr Manager Civil Engineering: J Kock		H A Auret	Water Distribution	
58.	58.	Ex.50: Performance audit: Roads infrastructure (Formal policy not in place, procedures are in place and is followed)	Other Important Matters	Performance Information	30-Jun-14		13%	Snr Manager Civil Engineering: J Kock		H A Auret	Water Distribution	
59.	59.	Ex.138: Performance audit: New and upgrading of roads not in SDBIP	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
60.	60.	PDO's: Ex.101: AOPO - The indicator is not easily measurable	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
61.	61.	PDO's: (Ann Rep) Ex.104: AOPO - Remedial action plan not disclosed in the Annual Report	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
62.	62.	PDO's: (LP) Ex.129: PDO: Reliability could not be confirmed	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
63.	63.	Ex.41: PDO's: Targets set do not meet the SMART criteria	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
64.	64.	Ex.70: PDO's: AOPO - Supporting information not submitted for the indicator	Other Important Matters	Performance Information	30-Jun-14		100%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	
65.	65.	Ex.94: PDO's: AOPO: The SDBIP target and the Annual Performance Report targets are not consistent	Other Important Matters	Performance Information	30-Jun-14		80%	Manager IDP and PMS: G Besselsen		D Ngxanga	Municipal Manager	

Project OPCAR (Operation Clean Audit Report) - 2012/2013
Joint Action Item List (JAIL)
Chairman: CRO R Richards
Date:

Task identified
Work in progress
Completed
Municipal Manager

Purpose: *The purpose of the JAIL is to track the allocation and status of project actions*

	No.	Item	Impact on Audit Report	Classification	Target Date	Revised Date	Prog%	Responsibility	Director	GFS Department within the Municipality	Remarks
1	1.	1.1. Inadequately designed security management	Other Matters	Internal Control	30-Jun-14		32%	IT Manager	C M Newman	Corporate services	
2	2.	1.2 Lack of adequately designed and implemented user account management processes	Other Matters	Internal Control	30-Jun-14		60%	IT Manager	C M Newman	Corporate services	
3	3.	1.3. No formally document program change management policy and procedures	Other Matters	Internal Control	30-Jun-14		0%	IT Manager	C M Newman	Corporate services	
4	4.	1.4. Weaknesses identified within information technology service continuity	Other Matters	Internal Control	30-Jun-14		25%	IT Manager	C M Newman	Corporate services	